

**Trade unions and the corporate social responsibility agenda: comparing CSR-  
approaches to employment and work related issues in the UK and Denmark**

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## 1. INTRODUCTION

Environmental issues and fundamental rights rather than employment and work are the most widely discussed issues in CSR-debates, but CSR has nevertheless entered discussions on employment relations and employment policies in EU-member states.

Trade unions are important CSR-stakeholders, but they have in general had mixed feelings about it. On the one hand, the overall idea that companies have social responsibilities ‘beyond the firm’s gate’ is welcomed. Furthermore, it has been acknowledged by some trade unions that a partnership approach to CSR-initiatives might open up new opportunities for legitimising and strengthening trade unionism. On the other hand, many trade unions have fear that voluntary CSR-arrangements could replace, rather than add to, right-based regulation obtained through legislation or collective agreements.

By focusing on three employment and work related issues (employability, health at work and equal opportunities) in two countries (Denmark and the UK) the aims of this paper are, firstly, to describe to what extent these are covered by CSR-instruments (such as codes-of-conduct, company agreements, partnerships, etc.) and to what extent they are regulated by other instruments (legislation, collective agreements, etc.) - or not regulated at all. Secondly, the paper aims to describe trade union approaches to CSR in these three areas: Do trade unions act proactively on CSR, do they just accept it or are they counteracting/resisting CSR-initiatives? Thirdly, the paper seeks to explain similarities the variation between the countries regarding the CSR-agendas and the approaches to CSR adopted by trade unions. The UK has a predominantly ‘pluralist’ or a ‘liberal’ labour market model and Denmark a ‘corporatist’ or partnership-based model. To what help labour market models to explain variations in approaches to CSR in these countries, and among their trade unions?

There is no unified definition of CSR. In the lack of a better approach this paper will follow Dorssemont (2004), who identifies two main themes in the European Commission’s approach to understanding CSR: ‘CSR is essentially a concept whereby companies decide voluntarily to contribute to a better society... whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a voluntary basis’ (European Commission, 2001: 5-8).

Bredgaard (2004) discusses four main approaches to CSR – these could work in further explaining the focus of the paper. The four approaches to CSR are: 1) Business driven/social focus: business driven initiatives towards society (the sort of social philanthropy practiced in the US) – originating in the business community, and focusing on business’s responsibilities towards workers, the community and the environment. 2) Business driven/labour market focus: CSR in business, focusing on the labour market responsibilities of the individual firm in relation to recruitment, retention, training and quality at work (including health and safety) – although more likely to operate in areas where company behaviour is regulated, the business community is again seen as leading the implementation. 3) Government driven/social focus: government and social partners take a more active role in steering/adding value to business initiatives – broad agenda around how business can contribute to social goals (this agenda is reflected in the European Commission approach to CSR). 4) Government driven/labour market focus: government and social partners take a more active role, specifically focusing on employment policy, and trying to persuade and motivate employers to improve quality at work, reduce workplace exclusion, and promote labour market integration.

It is the second and the fourth concepts of CSR - those with a labour market focus - that form the central focus for this paper. Our interest is in the interaction of social partners and the state /public authorities in promoting socially responsible practice in the labour market and workplace, specifically focusing on employability, equalities and health agendas.

We will now turn to the analysis of trade union approaches to CSR in the UK within the three selected areas. This section is followed by a similar analysis of CSR in Denmark. The fourth section includes a discussion of similarities and varieties in the trade unions’ approaches to CSR in the two countries and sum up the findings.

## **2. TRADE UNION APPROACHES TO CSR IN THE UK**

As Sagal et al. (2003) note, there is no single definition of CSR accepted in the UK. Socially responsible business practice has come more into vogue since the late 1990s, but the term CSR is used in a range of contexts, with reference to a variety of meanings. The current Labour government, influenced by ideas around the notion of a ‘stakeholder economy’ (Hutton, 1996), where the interests of business and community are balanced and compliment each other, has broadly supported a business-led CSR agenda. Government strategies on promoting CSR have been focused mainly on facilitating employers’ good practice. The UK government

sees its role as “contributing to awareness and understanding” (DTI 2005), stressing that employers should lead on CSR. Rather than seeking to directly lead on spreading good practice on CSR, the UK government has supported the activities of bodies, such as Business in the Community (a business-led partnership involving many of the UK’s leading companies) in promoting the CSR agenda. The government has also developed partnerships with business-led and –oriented advocacy groups such as AccountAbility, which has developed a Responsible Competitiveness Index assessing the impact of CSR on competitiveness and performance.

There is also a sense that the UK government sees CSR as more of an international, rather than domestic, policy agenda. The government’s key policy document on CSR initially focuses heavily on advancing the World Summit on Sustainable Development outcomes. Work on CSR-supported initiatives on infrastructure development in developing countries and support for the Ethical Trading Initiative are strongly emphasised (DTI, 2005).

However, socially responsible practice in the workplace and labour market arenas is also of interest, and forms a particular focus for organisations such as Business in the Community. The government has also sought to engage with CSR in the workplace by funding and supporting the development of the ‘CSR Academy’ to spread skills and knowledge on ‘responsible business practice’ among businesses and organisations.

CSR has become increasingly popular as a buzzword among employers in the UK. The CBI argues that business should shape CSR – “There is no scope for a one-size-fits-all approach” (CBI, 2005). The argument is that further regulation would encourage companies to meet only the minimum standard, rather freeing them to consider the full range of strategies relevant to their business needs and activities. Nevertheless, the practical influence of CSR as an agenda arguably remains somewhat limited, especially outside large organisations (Sagal et al., 2003).

In line with New Labour’s emphasis on the development of a stakeholder economy, the trade union movement has been increasingly keen to engage in the language of social partnership (Ackers and Payne, 1998) – “dialogue, co-operation and compromise” are crucial themes. However, the national trade union movement has been careful to tailor its approach to CSR to emphasise its own priorities. For example, in the labour market policy and employability field, the Trades Union Congress (TUC) has focused much of its thinking on CSR in relation

to tackling area-based poverty – for the TUC a key element of any CSR agenda should involve dealing with regional disparities in prosperity (TUC, 2002). It has pressurised policy makers to promote, and employers to engage in, more geographically diverse investment.

## **2.1 CSR and promoting employability**

This has limited the input of social partners in the field of employability, although there is some overlap with the CSR agenda, particularly in relation to promoting labour demand and employment creation in disadvantaged communities.

The UK government has noted that: “Real business involvement is essential to turn around deprived neighbourhoods and build strong and healthy communities” (DTI, 2005: 14). A Treasury and Home Office initiative – ‘Corporate Challenge’ – has seen the appointment of sixty champions from the business community to encourage corporate giving. The Community Investment Tax Relief scheme seeks to support employers through Community Development Finance Institutions, established to provide financial support and advice to social economy and community organisations in disadvantaged areas.

In the English Regions, the ‘Business Broker’ pilot – a cross-Government funded project – has been developed to support various forms of partnerships. Companies such as Tesco have responded. Research conducted with Tesco managers involved in the development of their Regeneration Partnership initiatives highlighted the manner in which the business case – the drive to develop new markets – is foremost for companies like Tesco. Developing sustainable markets in inner-city areas is a priority, and the company takes the view that employing unemployed people from local communities will help ensure a customer base and customer loyalty, contributing to the sustainability of these outlets (McQuaid et al., 2005; ODPM, 2005).

In terms of employers’ responses, there are a number of examples of public and private sector employers engaging with the employability agenda in an attempt to broaden their recruitment pools or build sustainable markets for products and services (both sound ‘business case’ objectives). However, even where partnerships with trade unions have been important to other aspects of CSR (as in the case with Tesco’s activities in areas of the CSR agenda such as health at work, employee representative forums, and increasing access to occupational pensions), co-operation on promoting access to employment and employability has been relatively limited (Sagal et al., 2003; McQuaid et al., 2005).

Regarding trade union approaches to employer-led employability programmes, it seems in many cases that trade unions are happy to be consulted, support the broad principles of inclusion, and do not stand in the way of programme implementation. But active involvement is limited. This may be due to a lack of organisational capacity at the local level. However, there is also evidence that trade unions tend not to see issues such as labour market inclusion as central to their remit – there is a perhaps understandable desire to address the needs of *current members* in the workforce before facilitating labour market inclusion (Lindsay et al., 2005). Finally, it is important to note that the centralised policy structures that govern UK employability policy restrict the freedom of all social and civil partners to influence policy development and implementation. Major employability programmes are centrally managed and funded by the Department of Work and Pensions. There are examples of both proactive employer engagement and government area regeneration initiatives that seek to use employer CSR objectives to maximise access to employment for disadvantaged groups. But employability provision remains highly structured and standardised, with funding and training models offering relatively limited freedom to tailor provision to employers’ or job seekers’ needs.

In terms of more structured input to government policy on employability, a number of national and regional bodies have trade union movement representation. The National Employment Panel (with TUC and trade union members) advises on the broad direction of policy; regional Learning and Skills Councils and sectoral Skills Councils also draw membership from trade unions. However, in these bodies trade union voices are limited given the leadership of employer organisations and the dominant role of government in policy making and funding.

## **2.2 CSR and equal opportunities**

The UK has a long-standing ‘legal tradition’ in dealing with equal opportunities in the workplace – long-standing anti-discrimination legislation has been used by trade unions and individuals to address unequal treatment. The legal rather than partnership, or even collective bargaining, focus for dealing with equalities issues has arguably restricted the development of new thinking among trade unions and employers alike.

Historically trade unions have taken a unitary, class-based approach to representing worker interests in the UK (Greene et al., 2005). Trade unions have been attached to the idea of clearly defined, common interests as a means of building solidarity within organisations and

occupations, but this has arguably led to a bargaining agenda that fails to reflect the diversity of the workforce, or even union membership (Dickens, 1997). This reflects an attachment to the ‘sameness’ model of understanding equalities (predicated on the idea that all workers should be treated the same, and that discrimination is intolerable, but failing to recognise the ‘difference’ in the experiences and interests of different groups in the labour market, and failing to recognise the need for positive action to address structural and institutionalised inequalities). But recent initiatives to revitalise the trade union movement have emphasised the need for inclusion (Colling and Dickens, 2001) and more recently, trade unions have begun to realise the need to recognise a plurality of interests, leading to calls for a union agenda with more ‘sensitivity to diversity’ in race and gender (Munro, 2001). Trade unions have pressurised employers on equalities issues, and there is strong evidence to suggest that equalities policies and practices are stronger in unionised workplaces (Noon and Hoque, 2001).

For employers, compliance with legal requirements on acting against discrimination has been the main focus of equal opportunities policies and practices. But there has been some overlap with the CSR agenda, particularly with the emergence of the concept of ‘managing diversity’. Trade unions have been sceptical. Greene et al. (2005) note that with employers the driving force behind managing diversity, trade unions have a natural suspicion towards this agenda. Aside from the business case being at odds with trade unions’ commitment to equal opportunities policies as a route to social justice and equality (Colling and Dickens, 1998), managing diversity has also been seen as: a smokescreen obscuring the continuing problem of discrimination (Wrench 2004); a public relations exercise rather than a substantive policy agenda (Greene and Kirton 2002); skirting the central issues, such as low pay and occupational segregation (Colling and Dickens 1998); and underplaying the fundamental disadvantage experienced by minority groups and women, which is embedded in institutionalised discrimination and organisational structures (Greene and Kirton, 2002).

While trade unions’ approaches to equal opportunities have gradually and incrementally developed, there is at least a long history of campaigning on equalities within UK trade unions. The battles encountered by equalities activists in getting these issues onto the bargaining and/or campaigning agendas *within* unions may contribute to their scepticism regarding ‘soft’ measures proposed by employers – for example, these activists fear that employers might be more willing to consider ‘awareness’ training than taking positive action to promote the recruitment and progression of under-represented groups (Wrench, 2005).

For some UK trade unionists the managing diversity agenda seeks to ‘individualise a collective problem’ – it neglects the root, structural causes of disadvantage (related to discrimination and work organisation) in favour of arguing for promoting diversity as a positive approach in specific business situations. Making the business case for diversity is rejected by many trade unionists as it implies that business imperatives (profit and competitiveness) are sufficient justification for fighting discrimination. This marginalises the social justice imperative that some trade unionists argue must be accepted by employers. It also means that if the business environment changes, acting against discrimination may be expendable, like any other area of business activity not delivering sufficient returns. Similarly, trade unionists may be reluctant to engage with any process that is management led, from the top-down, and which therefore may be seen as ‘in the gift’ of management. For many UK trade unions, there is also a cultural and practical imperative to concentrate their efforts on achieving progress through collective bargaining. The managing diversity agenda has been seen as a distraction from these priorities.

Finally, as noted above, the managing diversity agenda arguably neglects the reality of the structural causes of inequality. Institutionalised discrimination, and the forms of work organisation that disadvantage women and other under-represented groups, can only be challenged through positive policies to promote the progress of these groups, or by transforming the ways that employers organise their work. Managing diversity offers positive messages about treating all workers the same, but has little to say regarding the necessary changes required to promote genuine equality.

Despite suspicions over managing diversity, and continued employer-union conflict over issues such as equal pay, there are some examples of effective partnership working with employers on equalities issues. For example, in the shipping industry, the trade union NUMAST (with 20,000 members) has established an effective partnership with the employers’ organisation, the Chamber of Shipping on gender equality.

In general terms, trade unions in the UK have demonstrated a healthy scepticism towards CSR-driven initiatives to promote equal opportunities. There are examples of good practice, where employers and trade unions have co-operated to tackle workplace discrimination. As unions continue to develop their own strategies on equalities and consider new ways of build-



ing a more diverse membership base, there will be further opportunities to engage with employers and policy makers on equal opportunities. But unions remain suspicious of ‘business case’ justifications for actions on equalities, and remain sceptical about employers’ commitments to ‘diversity’ that are not backed up by action on the fundamental causes of workplace and labour market disadvantage.

Furthermore, as noted above, trade unions themselves have often struggled to develop a coherent approach to promoting equalities, with equal opportunities issues arguably poorly-represented within collective bargaining agendas in the UK. With unions working to re-establish bargaining positions, and rebuilding membership and organisation structures, partnership working on equal opportunities has been limited.

### **2.3 CSR and health at work**

The DTI has charged the Health and Safety Executive (the government agency responsible for enforcing safety regulations in the workplace) with encouraging employers to move ‘beyond compliance’ with the Health and Safety at Work Act. The Health and Safety Executive focuses on the following key CSR issues: 1) encouraging organisations to consider health and safety at board level rather than delegating to operations units – current research shows that 66% of companies surveyed directed health and safety at board level; 2) encouraging organisations to report publicly on a range of health and safety issues – recent research shows that 78% of companies surveyed publicly reported on health and safety to some extent, but that quality varied; 3) producing and promoting a health and safety index; and 4) delivering guidance and events to raise awareness of CSR.

At the regional level, a number of initiatives have sought to promote pro-active partnerships to promote action on health at work that goes ‘beyond compliance’ with basic safety regulations. The Scottish Executive’s Scottish Centre for Healthy Working Lives – with social partner involvement - has a remit to improve the health of working age people in Scotland by ensuring healthier and safer workplaces and promoting healthier lifestyles. The aim of Healthy Working Lives is to provide national support and services to employees, employers and those wishing to enter the Scottish workforce on improving health and wellbeing.

There are again important examples of employers leading on workplace health and also examples of more integrated social partnership working on health at work. Furthermore, The

TUC and many trade unions have also developed their own campaigning on health and safety. Health and safety at work has provided a strong focus for TUC national campaigns, and the TUC has supported partnerships such as that between Tesco and trade union USDAW in the retail sector to promote workplace health initiatives. Nevertheless, the engagement of trade unions is again, apparently, rather patchy. The strong, ‘legal/compliance’ tradition in dealing with health and safety issues in the UK has perhaps again coloured trade union approaches to this subject. More recent attempts to broaden the ‘health at work’ agenda have seen government seek to engage both unions and employers, but there is a realisation that the latter have more capacity to affect change in the workplace.

#### **2.4 Explaining trade union approaches to CSR**

Trade unions in the UK have begun to engage with CSR approaches in key policy areas, but on the ground their involvement has been limited and variable. Part of the reason for this is that CSR remains a relatively new agenda in the UK.

Secondly, CSR is an inherently employer-driven agenda, and with relatively few employers actively engaging in major CSR initiatives in areas such as employability, equal opportunities or health and safety, trade unions may not see the need to respond more actively to what is still an emerging policy agenda. Of course, there remains an underlying scepticism towards ‘business case’ approaches to these issues, which many trade unions view as contingent (if business circumstances change, does promoting equal opportunities become expendable for employers?) and running counter to fundamental ‘social justice’ justifications of improved workplace relations and conditions.

Thirdly, the UK’s centralised policy and legal structures mean that government has tight control over policy areas such as employability, and that equal opportunities and health and safety at work issues are often settled through legal routes. This would again suggest that the CSR’s impact in these areas is likely to remain important but far from crucial – again, trade unions may take the view that their role is limited in these areas, or that concentrating their efforts on collective bargaining or ensuring employers’ compliance with legal regulations (especially important to equal opportunities and workplace health issues) is a more effective means of influencing these agendas.

Fourthly, there is also a sense that UK trade unions remain committed to traditional, collective bargaining approaches as means of achieving their ends. The unifying and solidaristic approach manifested in collective bargaining continues to be valued by a trade union movement that, as noted above, has been denied access to institutionalised social partnership structures. The commitment to collective bargaining as a means of improving workplace conditions, and to using legal routes in policy areas such as equal opportunities and health and safety, may have contributed to trade union scepticism in relation to employer-led CSR initiatives. When it comes to equal opportunities, trade unions continue to struggle to develop their own approaches to engaging with a more diverse workforce, and to mainstream equalities goals within their bargaining agendas. However, many trade unionists are also particularly suspicious of ‘business case’ justifications embodied in concepts such as ‘managing diversity’, which they see as failing to engage with the fundamental causes of disadvantage.

Finally, the organisational capacity of many trade unions to involve themselves in policy agendas such as CSR is limited. Many unions are concentrating on rebuilding their membership and role following years of anti-trade union legislation during the 1980s and 1990s. Rebuilding trade union membership, and ‘doing the basics well’ (i.e. representing members and establishing gains through collective bargaining) remain key priorities, making unions wary of stretching their resources by involving themselves in policy making and implementation in ‘non-traditional’ areas of activity. At the most basic level, many unions lack the resources and manpower to engage effectively in such activities.

### **3. TRADE UNION APPROACHES TO CSR IN DENMARK**

Contrary to the situation in many other countries, the CSR-debate in Denmark has mainly focused on employment related issues, even though the environment, fundamental rights and other issues also have also featured. The CSR-debate took off in the early 1990s and has largely been government driven. The government campaign ‘Our Common Concern – the social responsibility of companies’ launched in 1994 by the Ministry of Social Affairs aimed to promote changes in attitudes towards CSR by highlighting the role companies can play in social development, and thereby reducing the burden on public authorities and the state budget. One of the campaign’s focal points was to establish cooperation between companies and public authorities in order to solve social problems more effectively or indeed to prevent them from occurring at all. The government earmarked funds for projects as part of the campaign and established in 1996 a business network (Danish Network of Business Leaders) that it

could consult in matters related to CSR and to the campaign (Mailand, 2004). The network now consists of 16 business leaders from private and public companies altogether employing some 5% of the total number of employees) in Denmark and its six regional networks initiate their own projects (The Copenhagen Centre, 2004).

With the anchoring of the CSR approach in the Ministry of Social Affairs three issues, all related to employment, became the main focus on CSR in Denmark: 'Prevention' covers actions to prevent that working environment in the long run will lead to the exclusion of those already employed. This is related to health & safety at the workplace. 'Job-retention' is actions targeted specific groups of employees in danger of losing their jobs due to physical or psychological illness, permanent handicaps, etc. Like prevention, job-retention is a form of 'internal' CSR (vis-a-vi a particular company), whereas the third, 'integration', refers to actions taken to get unemployed persons (re)employed and represent a form of external CSR.

The 'integration' actions could potentially have been incorporated into Active Labour Market Policies (ALMP), which in Denmark has a much longer history than CSR. But ALMP has largely remained untouched by the CSR-debate. This has to do with the fact that active as well as passive measures for unemployment for years have been divided in one section for the insured unemployed (the responsibility of the Ministry of Labour and the trade union-affiliated unemployment funds) and another one for the uninsured unemployed (pertaining to the ministry of Social Affairs and the municipalities). With the Ministry of Social Policy taking the lead in CSR-issues, the demand-oriented CSR-campaign became by and large separated from the supply-oriented ALMP (Lindsay and Mailand, 2004). This dual structure of activation policy in Denmark is partly reflected in the trade unions response. Similar measures have been addressed differently, as will be described below

However, the conservative-liberal government that came into power in late 2001 started a partial amalgamation of the active social policy and ALMP; the Ministry of Employment was now responsible for activation of both target groups as well as for CSR, but did not formulate its own CSR-policy before spring 2004 ([www.bm.dk](http://www.bm.dk)). This new policy contains both continuity and new paths compared to the previous one. Continuity is seen in the general absence of legally binding initiatives and in the continuity of the use of the labels 'prevention', 'job-retention' and 'integration'. Change is seen in several dimensions. Firstly, the label for CSR is changed from the Social Responsibility of Companies (Virksomhederens Sociale Ansvar) to

the Social Engagement of Companies (Virksomhedernes Sociale Engagement) to emphasise the voluntary aspect. Secondly, there is a stronger emphasis on the labour supply, in another word, on integration. Related to this, CSR is in this way mainstreamed with ALMP (Bredgaard, 2004b) – a development facilitated by the amalgamation of the active social policy and ALMP described above. Thirdly, three ‘principles’ for CSR is introduced: ‘voluntarism, diversity and freedom of methodology’. Again, the voluntary nature of CSR is emphasised, but so is ‘diversity management’, which could facilitate the integration of ethnic minorities, part of the labour reserve. Finally, even though the government policy on CSR also has campaign elements it is not planned as something large scale, but more like a supplement to the government’s ALMP and policy on integration of ethnic minorities. This weaning priority given by the government to CSR seem to have been taken place simultaneously with a limited, but steady improvement in larger companies’ interest in the international, more environment and fundamental rights-oriented, approach to CSR.

### **3.1 CSR and promoting employability**

Employability issues within the CSR-umbrella could be equated with what in the Danish CSR- debate is called ‘integration’, that is, ‘external’ CSR targeting unemployed people: The most important measures pertaining to integration are jobs with wage-subsidies (previous known as ‘job-training’) and the so-called ‘flexijobs’. Jobs with wages-subsidies are temporary (six month) employment with the aim of providing the unemployed person with job-experience, new qualifications and network opportunity to get ‘ordinary’ employment in the same or another workplace. The ‘flexi-jobs’ are permanent jobs on special conditions, targeted people with a reduced capacity to work that after a ‘revalidation’ (work-trial) has shown not to be able to a ordinary job, but on the other hand have too much capacity to work left to qualify for an early pension. The ‘supply’ of these measures is regulated by legislation that describes the rules for eligible rules, the target groups etc. But the ‘demand’ of the measures is largely unregulated, in that there are no quotas for companies, and no other form of commitment to use them (which the exception of the public sector were quotas exist). In other words, the use of these measures is largely voluntary. Collective agreements have also a limited role to play in that the social partners have introduced so-called ‘social chapters’ in the collective agreements and a special type of ‘collective agreement based flexijobs’. The latter have, however, been few in numbers, and might serve most of all to show the good will of the social partners rather than making the labour market more inclusive in it self (Hohnen, 2003; Bredgaard, 2004b).

The trade unions and the largest trade union confederation - LO- have not been very proactive in relation to employability issues in relation to CSR - and less so than in relation to prevention and job-retention, that the trade unions explicitly have been given the highest priority among the three CSR-issues, especially in the Co-ordination Committees and at the workplaces (see below). However, through the multipartite talks with the government and the other stakeholders as well as through the Coordination Committees and at the workplace-level, trade unions and shop stewards have been involved in bargaining on the rules for flexi-jobs and jobs with wage subsidy, on advising the municipalities in the use of them and in implementing them at workplaces.

Some of the most important multipartite talks in relation to flexijobs took place in autumn 2000 before the change of government. The aim was to make an agreement on the number of flexi-jobs (and the financing of them) that could take-over those people that previously had received early retirement. LO aimed in these talks at getting the 'flex-jobbers' connected to the unemployment funds (administered by the trade unions), whereas the government tried to oblige the municipalities and the social partners on some kind of quantitative targets. But the parties could not agree on any of the issues and the largely voluntary CSR-approach remained intact.

### **3.2 CSR and health at work**

Health & safety at work is one on the few exceptions from the general rule that conditions of those in work are regulated through collective agreements. Health and safety legislation was developed in the 19th century, in the early ages of Danish industrialisation, and developed through the later half of the 20<sup>th</sup> century into a complex set of qualitative legally binding norms. Trade unions have supported this form of regulation. The social partners have been involved in drafting legislation and to some extent - through 'security-representatives' and 'cooperation representatives' at the workplaces as well as in the tripartite 'branch work-environment councils' - also in the implementation of legislation. Furthermore, in recent years collective agreements have more and more often been used - alone or in some combination with legislation - to regulate 'psychological' work environment issues, such as harassment and bullying. The government and the employers' organisations, but only some of the trade unions support this development (Hasle et al., 2003). However, even though more issues related to work environment are now subject to collective bargaining, the area is mostly regu-

lated by legislation and the state-driven Work Inspectorate has are still one of the most important institutions in securing implementation.

Health issues have in general not been among the issues directly addressed in the Danish CSR-debate, but prevention and job-retention relates to health and safety. It is the vision of LO, however, that companies get legally obliged to make an all-include report with four elements: a social, working environment, external environment, and intellectual capital. Over time, more and more elements in this report should become compulsory (LO, 2001). However, this vision has not been discussed widely in the CSR debate.

### **3.3 CSR and equal opportunities**

Equal opportunity with relation to employment has in Denmark a long history in relation to gender and a short one in relation to race. Equal opportunity has not been widely debated in Denmark in connection to CSR, but more so than health and safety.

Regarding gender, Denmark has one of the highest employment rates for women in EU, but has to struggle with high levels of vertical as well as hierarchical gender segregation and lack of equal pay. Anti-discrimination rules are laid down in legislation and the collective agreements do in general not have much to say about equality issues, with pay during maternity/paternity leave as an important exception. Pay during maternity/paternity leave has become more widespread in recent years. The companies' expenses can be remunerated through social partner-administrated fund that pay employees on leave (but only up to a maximum). In the last collective bargaining round (2004), an extension of these funds to all groups on the labour market was one of the major issues.

Individual companies have addressed gender issues in CSR-like initiative – some with support from EU's EQUAL-programme. But the initiatives are not plentiful. Trade unions have in general not pushed gender equality to any large extent (some would say that this has as much to do with the male-domination in the trade unions as with the general high level of equality and the present of legislation and certainly not in connection to CSR).

In the late 1990s it became known that inclusion of ethnic minorities ('immigrants and descendants') was one of the few labour market indicators on which Denmark did not perform well. Even though ethnic minorities only make-up some 6 % of the Danish population, inclu-

sion of this group have high priority for the government in order to secure social cohesion and labour supply. The way that this has been done has been, *inter alia*, through the introduction of active measures (for instance ‘workplace introduction’ and mentoring) as well as passive measures (reduced social assistance) de facto targeted ethnic minorities, and to a far less extent through campaigning. The social partners, the government and the municipalities signed in spring 2002 an agreement in order to facilitate the implementation of the government’s policy in this area. The agreement emphasises the role of workplaces and introducing more flexibility in language teaching.

The social partners have also from 2003-2006 run a large-scale project - under LO leadership - with the municipalities to strengthen inclusion of ethnic minorities in the workplaces (LO, 2004). However, the trade unions policy on the ethnic dimension of equal opportunity policy is in general not well developed partly because the issue only a few years ago became a widely debated issue, partly because it is considered as just a part of the general employability/employment policy. The Danish trade unions have accepted the concept of ‘diversity management’, but have not transformed it into policies and projects to any large extent. This positive attitude of the trade unions is very different from the one taken by British trade unions; this difference has been explained by the lack of prior experiences in with anti-discriminating activities, the more consensus-oriented industrial relations culture and the negative discourse on multi-culturalism in Denmark (Greene et al., 2005).

### **3.4 Explaining trade union approaches to CSR**

In Denmark, CSR is a new feature that appeared on the agenda as late as the 1990s. It has largely been government-driven, and the trade union movement has only slowly and gradually taken-up CSR, even though they through ALMP for years have been involved in actions that include CSR-elements. CSR is seen as a supplement, not an alternative, to collective agreements and legislation, and together with the employers’ organisations trade unions have, with a few exceptions, rejected legally binding initiatives. This is in line with the Danish labour market model building on bipartism and voluntarism.

The trade unions’ downplaying of employability in relation to CSR stand in contrast with their greater focus on the issue in relation to ALMP. This can be explained by taking a rational actor approach, because the target groups of ALMP (insured unemployed) as well as the target groups for prevention and job-retention are mostly trade union members, whereas



the target group for integration measures under the Danish version of CSR is mostly not trade union members.

The lack of the trade union initiatives in relation to health at work issues reflect both that CSR do not in general play an important role in this field, and that the trade unions prefer collective agreements to CSR if any other forms of regulation than legislation should be added. The weak trade union engagement in equal opportunity measures might be sought for elsewhere, in that this area is much 'lighter' regulated than health at work by both collective agreements (where the issue is largely) and by legislation (the legal framework is relatively loose). The reasons here might be - in relation to the gender - the male domination of trade unions and the in general terms comparatively high level gender equality; in relation to ethnicity, the reasons are a collective ignorance of the problem (that do not just include trade unions, but other main societal actors as well) and the fact the integration of ethnic minorities are included in other the employability measures.

#### **4. DISCUSSIONS AND CONCLUSION**

Comparing the British and the Danish trade unions approaches to CSR there is found important similarities as well as differences. On a very general level, the CSR debate in the UK is probably less exclusively of the type that Bredgaard (2004a) calls the government-driven/labour market focus than in Denmark – and this probably also influences trade unions' approaches to CSR. Focussing on the three selected employment and work related areas, it has been found that *trade unions in both countries only to a limited extent engage in CSR-initiatives and they remain sceptical to the concept*, including the business case of CSR.

In relation to *employability*, trade unions take part in employability initiatives at local, regional and national level, some of which are related to CSR – but with the actions either employer or government-driven, the role is limited, especially in the UK. In Denmark, the trade unions involvement in employability initiatives and policies related to ALMP, rather than to CSR, is stronger.

*Health at work* is in both countries mainly regulated by legislation and the trade unions have not taken any initiatives to change this. However, the UK government has been pushing the social partners to 'go beyond compliance' which might lead to development of CSR initia-

tives, whereas health issues in Denmark increasingly have entered the collective bargaining, but not the CSR, agenda.

*Equal opportunities* have in both countries a legal base, and the trade unions have in both countries had a tradition for a ‘sameness-approach’ (within the occupational demarcations of the individual unions), that have not left much room for actions addressing diversity related to gender or ethnicity . However, with a more developed debate on diversity management (one form of a CSR) in the UK than in Denmark, some British trade unions are more involved in these actions but are at the same time also more sceptical towards them than the Danish sister-organisations. It should, however, be noted that UK trade unions continue to struggle to develop their own coherent approaches to equal opportunities, with relatively limited progress in this area a product of: the legal/regulation-based approach to equalities in UK industrial relations; capacity problems within trade unions; and a continuing commitment to solidaristic, class-based approaches to worker representation (which makes it more difficult to engage with the different experiences of minority groups).

Also when it comes to explaining the trade unions in general terms weak involvement in CSR initiatives and the scepticism towards CSR approaches, similar as well as different factors could be raised. The most *important common explanatory factor is properly the commitment to traditional models of industrial relations, and particularly collective bargaining*, as a means of achieving goals. In this form of regulation the trade unions have a key role, whereas they in legislation and CSR-initiatives have a weaker role to play, if any. Hence, collective bargaining and is always preferred to the other forms of regulation. Moreover, this form is in line with the labour market traditions in the two countries (see below).

However, the commitment to collective bargaining is surrounded by a number of *important differences* that also influence the trade unions approaches to CSR. Compared to Denmark, trade union penetration is low in the UK, particularly in the private sector. In the UK, approximately 45% of workplaces of more than 25 staff are unionised (with a strong bias towards the public sector in unionised workplaces), compared to more than 80% in Denmark. Therefore, where employers have driven the CSR agenda on issues such as employability and health, it has more often happened without trade union representation in the UK than in Denmark.

The difference in organisational capacity and collective bargaining coverage has also other consequences. In Denmark, the trade union strength and the consensus with the employers' organisations on preferred forms of regulation, means that the tradition of 'voluntarism' (social partner self-regulation of in-work conditions) is more often - and more effectively defended - in Denmark than in the UK. Hence, the 'legalistic turn' in labour market regulation is stronger in the UK than in Denmark, even though it is seen in both countries (Mailand, 2006b). This might help to explain, for instance, why non-legal forms of health at work regulation most often take the form of collective bargaining in Denmark, whereas it in the UK – while formal, legal health and safety structures are relatively strong and effective – government initiatives to encourage employers to move 'beyond compliance' have been gradual, and have a strong voluntaristic culture (although again there are some striking examples of good practice in promoting 'healthy working lives', where employers have led processes of workplace change with the support of trade unions).

Yet an important difference is the extent to which the trade unions and employers' associations are involved in partnerships with the government/public authorities. Even though the involvement of social partners has increased in the UK during the last ten years, and might have decreased slightly in Denmark in the same period (Mailand, 2006a), the trade unions have far better access to government decisions and to implementation of public policies. However, this opportunity has in the area of CSR not led to many importance initiatives at the national level, but have been of importance at local level (Andersen and Torfing, 2005).

Of importance for partnerships are also the relations between trade unions and employers. Again, changes have been seen in recent years, but the UK's industrial relations traditions continue to limit social partnership (Andersen and Mailand, 2002; Wrench, 2005). For decades, the stance of unions was adversarial rather than co-operative, while the antagonism of the political right and large employers towards trade unions was manifested in anti-union legislation in the 1980s, of a sort that is not readily conceivable in Denmark. In Denmark, the relations have for decades been comparatively more consensus- and co-operation oriented; something which have facilitated partnerships.

A final difference is the differentiated approach of Danish trade unions to CSR-oriented approaches on employability depending on the target group, whereas a similar divided approach is not found in the UK. Because employability for insured unemployed in Denmark was al-

ready 'occupied' by the predominantly supply-focused ALMP – in which the trade unions have been very active through channels such as the national and regional tripartite bodies - the predominantly demand-oriented CSR-initiatives became in the mid1990s mainly linked to employability of the uninsured unemployed, that for the major part are not trade union members (and in some cases potentially competitors for in-work trade union members) the Danish trade unions gave the CSR-initiatives a relative low priority. With the divide between insured and uninsured unemployed much less profound in the UK, a dual approach did not develop here.

Could labour market models help to explain trade union approaches in the two countries? The UK and Denmark are placed within labour market different models (Crouch, 1993; Visser, 1996). Despite of the fact that health at work in both countries traditionally by and large has been regulated unilaterally by the state, the UK is placed in a model labelled the 'pluralist' or 'liberal' model. In this model are found antagonistic relations between employers and trade unions and limited interference from the state. Denmark is found in the 'neo-corporatist' model, where the social partners co-operate and the state has a facilitating function in industrial relations.

Apart from rightly pointing to the differences in the degree co-operation, these labour market models are not really able to help explaining the pattern of trade union approaches to CSR in the two countries. Most importantly, the models fail to predict the overall similarities in trade union approaches to CSR in the two countries. Among other things, this is because the models fail to acknowledge that Denmark and the UK share a strong tradition of voluntarism in regulating wages and working conditions, even though the state traditionally has played stronger role in other employment issues, as well as in welfare state issues, in Denmark (see e.g. Jensen, 1995). This tradition of voluntarism has led to a strong trade union preference for collective bargaining as a mode of governance. Furthermore, the models have not predicated the legislative turn in regulating work and employment found in both countries, but strongest in the UK - the country where it according to the models should be least expected.

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