



ISORESS

promoting the idea
of corporate social responsibility
and sustainable development
in small and micro enterprises

**Study on specific needs related to Corporate Social
Responsibility (CSR) and Sustainable Development (SD)
training in micro and small enterprises in partner countries**

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sustainable development in small and micro enterprises**

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1. Executive summary

ISORESS project aims to promote the idea of CSR and sustainable development in small and micro enterprises, including those run by migrants by introducing relevant training programmes, sharing and transferring innovative practices, presenting benefits from applying the ideas to their own business practice.

To set up the basis for the development of the curricula and training material, the partners conducted national researches in the area of CSR and sustainable development. The research was based on desktop research – internet search, questionnaires and interviews. Each national report showed how the idea of CSR and sustainable development are implemented in micro and small enterprises in partner countries. This information will be used as theoretical background for teaching content.

This report summarizes the information included in all six national reports and processes the total statistics for all partner countries. The last part of the report highlights the similarities as well as the particularities of each country and makes recommendations for the development of the curriculum and the training course.

2. Country specific general introduction

2.1 Poland

i. *Important numbers/ statistics*

The Polish enterprise sector is dominated by micro-enterprises whose share in the structure of all enterprises amounts to as much as 96%. The number of micro enterprises has increased in recent years. Currently, there are over 1.8 million of them, 7% more than in 2008. The largest number of micro enterprises operates in services (52%) and trade (26%). They have the largest share in generating GDP - 30% among all groups of enterprises, and 41% share in the value of GDP generated by the enterprise sector. In addition, they significantly affect labour market - in the enterprise sector, they generate 39% of jobs (the number of employees in such companies is approx. 3.7 million people). In comparison with other groups of enterprises, micro firms are the most productive (relation of results to inputs), cost-effective (relation of costs to revenues) and profitable.

Currently, there are less than 57 thousand small companies, which account for 3% of the Polish enterprise sector. In recent years, an increase in the number of small enterprises has been observed, currently it is 4.5% more than in 2008. Small enterprises have the smallest share in generating GDP - 9% among all groups of enterprises, and assuming the value of GDP generated by the enterprise sector as 100% the share is 12%. They also have the smallest share in creating jobs - in the enterprise sector they generate 13% of jobs (the number of employees in such companies is about 1.2 million people).

Medium-sized companies account for 0.8% of the Polish enterprise sector. Assuming the value of GDP generated by the enterprise sector as 100%, this share amounts to 15% (less is generated only by small enterprises). They have a slightly larger share in job creation than small companies - in the enterprise sector they generate 17% (the number of employees in such companies is about 1.6 million people).

ii. *Conditions of setting up and running a business*

First of all, entrepreneurs have to decide on a legal form, whether they want to operate as a sole trader or civil-law partnership or in a more advanced form – partnership registered in the National Court Register (KRS).

Entrepreneurs need a bank account for settlements with trading partners and to pay taxes and contributions to Social Insurance Office (ZUS). Each business activity must have a name. In case of entities registered in the National Court Register (KRS), the name of a company depends on the type of partnership.

Entrepreneurs must decide on the scope of activity by choosing PKD code, which can be changed at any time. Each company must have a registered office, which can be entrepreneur's flat/house or a rented office.

When entrepreneurs decide for entry in CEIDG register – they are liable to personal income tax (PIT), if they decide for entry in the National Court Register, in most cases they will be liable to corporate income tax (CIT).

Entrepreneurs also need to register as a person insured in Social Insurance Office (ZUS) and if they employ workers or a family member, they are also subject to notification.

To conduct a business in Poland entrepreneurs are required to have two numbers issued automatically in the registration process - Tax Identification Number (NIP), which is also used for VAT registration and statistical number (REGON), for identification and reporting purposes (indicated also on the company stamp). In the framework of registration procedure National Labour Inspectorate and Chief Sanitary Inspectorate are notified. They carry out controls in the field of safety and health at work.

iii. CSR and sustainable development among micro /small enterprises

Most often, the CSR management model is understood among entrepreneurs as activities for the benefit of the local community, activities for environmental protection and activities aimed at providing appropriate working conditions for the employees. Small and medium-sized enterprises often apply CSR activities on a one-off basis. Such activities are then not a part of the company's complex strategy and do not bring such effects as when they constitute a firm policy of the company. Large companies are trying to use CSR more often because they are more exposed to stakeholder observation and assessment. Small enterprises, on the other hand, often help the local community, for example by supporting and organizing cultural events and training in schools, however, do not interpret these activities as a management model. These activities may result from the fact that the majority of business entities of the SME sector have local roots and are closer to the problems of the local community than large enterprises.

2.2 Germany

i. Important numbers/ statistics

Germany has a population of 82.6 million inhabitants, 9.2 million of them with a nationality different than German. There is a total of 2.4 million of enterprises. 99,3% of the enterprises are considered as SMEs. Following the recommendation of the European Commission (2003/361/EG) of May 6, 2003 the German Federal Statistical Office applies for the data collection following definitions of SME enterprises:

Size	Number of employees	Annual turnover
Micro ("Kleinst")	0 - 9	2 million or less
Small ("Kleine")	10 - 49	10 million or less
Medium ("Mittlere")	50 – 249	50 million or less

ii. Importance in national economy

SMEs generate 33.3% of the annual national turnovers.

The main part of SMEs (appr. 2 million enterprises) are accounted micro enterprises.

In total 61% of the 28.3 million employees work with SMEs: 19 % in micro enterprises, 22.5% in small enterprises and 19.3% in medium-sized enterprises.

The economic importance of SMEs varies between the individual economic sectors. SMEs are of particular importance in construction and in the hotel and restaurant industry. In the reference year 2015, they generated 85% of turnover and their share in the persons employed was about 92%. In real estate activities and in some branches of services, SMEs are predominant, too. On the contrary, the turnover of large enterprises in the total of enterprises is significant in manufacturing and in transport, storage and communication. The economic sector with the smallest proportion of small and medium-sized enterprises is that of energy supply, where SMEs accounted 3% of turnover and 14% of the persons employed in the reference year.

In 2017, more than 676,000 business registrations were accounted, mostly in wholesale and retail trade, construction, administrative and support service and other economic activities.

iii. Conditions of setting up and running a business

The Federal Ministry of Economic Affairs and Energy provides a portal with relevant information for founders¹, information is also provided by the Federal States, e.g. in Bavaria:²

“Starting a self-employed (independent) trade or business normally requires only notification of the trade or business to the competent Chamber of Industry and Commerce or Chamber of Crafts or to the competent local authorities of the community wherein the occupational activities are to be carried out”. The set-up of vending machines of every description as a self-employed (independent) business requires notification to the competent public authorities in charge of the head office.”

There is a number of 41 professions in crafts that require a “master of crafts” certificate (e.g. a baker, butcher, carpenter, painter and varnisher, car mechanic, plumber, bricklayer, hairdresser, electrician).³

“Although certain trades or businesses do not require an official authorization, they are subject to supervision of their activities by the public authorities (the so-called trade or businesses requiring official authorization

Requiring special supervision includes such entities as restaurants, pharmacies, security, etc.⁴

“All foreign applicants are under obligation to produce comparable written certificates of reliability (i.e. an official certificate of good conduct or a certificate of good character or an extract from the police records of its home country or an equivalent official document). Each registration of a trade or business must be made in writing, using the standard form provided. Receipt of the registration of a trade or business will be acknowledged by the competent public authority.”

iv. General CSR and sustainable development policy and awareness

Various Federal Government Ministries and inter-agency bodies are working on CSR. Although the Federal Ministry of Labour and Social Affairs is at the helm of federal CSR activities, the CSR activities of the Federal Government are not an isolated political project, but rather closely connected to the efforts of the private sector and civil society. A National CSR Forum was also set in place in 2009. A National Action Plan was launched in 2010 which has a special focus on SMEs. A National Action Plan “Implementation on the UN Guiding Principles on Business and

¹ <http://www.existenzgruender.de/DE/Home/inhalt.html>

² <http://www.eap.bayern.de/informationen/leistungsbeschreibung/308423152459>

³ http://www.existenzgruender.de/SharedDocs/Downloads/EN/Checklisten-Uebersichten/04_uebersicht-Anlage-A-B-Handwerksordnung.pdf?__blob=publicationFile

⁴ <http://www.eap.bayern.de/informationen/dienstleistungen/themen/559029777616335>

Human Rights” was launched in September 2017, focusing also on value-added chains (e.g. respect of human rights with suppliers). Also in 2017, a scientific study analysed the potential of the industry initiatives to contribute to this National Action Plan.

In 2015 a second survey (first one in 2005) was conducted with 500 managers from large enterprises which showed that almost all of these enterprises run their own CSR projects whereas in 2005 CSR was considered as a responsibility towards own staff members. The importance of the image promotion aspect has increased. Relevant scientific research with view to CSR with SMEs in Germany could not be identified apart from the initiatives in the CSR forum.

2.3 Spain

i. *Important numbers/ statistics*

These numbers and statistics are provided by the Ministry of Labour and Social Security of Spain and reflect data from January 2018 of the companies registered in the Social Security Registry.

As the table below illustrates, SMEs together with self-employed people (understood as SMEs without any employee) represent the 99% of the business sector of Spain.

<i>COMPANIES BY SIZE (2018)</i>	<i>n° of companies</i>	<i>%</i>
Total number of companies	2.847.735	100%
<i>Self-employed (SMEs without any employee)</i>	1.535.472	53,03%
<i>SME</i>	1.307.776	45,92%
<i>Micro enterprise (1-9 employees)</i>	1.135.054	
<i>Small enterprise (10-49 employees)</i>	149.320	
<i>Medium size enterprise (50-249 employees)</i>	23.402	
<i>Big enterprises (more than 249 employees)</i>	4.487	0,15%

Among those SMEs (without considering the self-employed people), 87% of them are micro companies with between 10 and 49 employees. They represent almost the 40% of the total number of companies currently registered in Spain. For their part, small companies represent the 5,24% of the total companies and medium size enterprises 0,82%.

ii. *Importance in national economy*

As the above numbers illustrate, SMEs are of great importance for the national economy of Spain. Not only do they represent the predominant size of companies of the national business sector, but also because they employ 53.64% of the people working in Spain. The remaining 12.8% is generated by self-employed people and 33.4% by big companies.

With regards to the sectors of these companies, 74.1% belong to the service sector. Construction represents 9.3%, and industry 8.3%, the same percentage as the agrarian sector.

Besides, according to a study by Cepyme and Randstad, small and medium sized enterprises will create more than 585,000 job positions between 2018 and 2019. During this year experts expect 299,000 jobs to be created, 3.1% more than in 2017, and 285,500 more jobs next year.

According to the previously mentioned study, the services sector will be the one to have the largest increase in employment along with engineering, hotel trade, social sciences and mathematics.

iii. Conditions of setting up and running a business.

Whether you are a national citizen or from the European Union Community, to start a business or economic activity (paid) in Spain you must follow these steps: first, choose the municipality where your business will be created.

Once you have chosen the place, next step is the type of economic activity. Services sector (hairdressing, shops, logistics...), industry, telecommunications are some of the sectors. The next step involves marking the physical establishment of the company, its legal form and the country of origin.

You must define the period (permanent activity or not), if you are going to carry out your business under a stable or local physical establishment, or if you are going to carry out your economic activity in association with another established company or not. Geographic location is also an important point to consider.

The EU establishes some objectives that the members have to follow to create a company: the time for creation of the company cannot exceed 3 working days, cost less than 100€, all procedures can be done through a single administrative body, possible to complete all registration formalities online, the online registration of the company can be done from another country of the EU.

iv. General CSR and sustainable development policy and awareness

At the European level the Green Book about Corporate Social Responsibility of Companies was presented in 2001, as a starting point for public discussion. In Spain, one year later, the first public initiative took place, with the creation of the Technical Expert Commission to analyse CSR in Spain, as the first step for its analysis and promotion.

Since then, different steps have been taken: the creation of a National Council of CSR (CERSE in Spanish), the creation of an experts' forum on the topic, and different national laws started to include and mention the topic.

Nowadays, a lot of companies also carry out initiatives in this field such as the Global Reporting Initiative of United Nations, where companies report annually their policies on CSR. Spain is the country with more signatories according to the data from 2012. Spanish companies have significantly increased their awareness of the importance of CSR and Sustainable Development (SD).

Besides, there is the Spanish Strategy for Corporate Responsibility running, adjusted to the European Strategy 2020 goals in CSR and to the agenda of the European Commission on the Strategy of CSR.

2.4 Former Yugoslav Republic of Macedonia

i. Important numbers/ statistics

Former Yugoslav Republic of Macedonia is a small country with over 52 thousand of SMEs which employ over 99% of the total employees in the country and add total value to the country of 65.2%. The information bellow is acquired from the Macedonian Agency for Entrepreneurship Development and Promotion. Some of the information is from 2013 and updated by the national Agency for Employment in 2017.

Size	Number of employees	Annual turnover
Small (“Мали”)	0 - 10	70,000 plus (98%)
Medium (“Мали”)	10 - 50	2,000 plus (1.8%)
Large (“Големи”)	50 – 250	300 plus (0.2%)

SECTOR	%	SMALL	MEDIUM	LARGE
Agriculture	4	2,831	33	2
Mining	0.2	156	4	4
Processing industry	11.1	7,509	347	62
Distribution of electrical energy	0.2	122	7	3
Water distribution	0.4	270	27	9
Construction	6.1	4,239	78	5
Small and large commerce	35.7	25,299	115	15
Transportation and warehousing	8.5	6,044	44	7
Hospitality and Food and Beverage	6.3	4,458	23	1
Information Technologies	2.0	1,414	25	7
Financial and Insurance	0.5	361	17	12
Real Estate	0.7	479	5	1
Science and Technological Services	8.2	5,801	14	2
Administrative and Support Services	2.1	1,472	25	17
Public Administration and Defence	0.4	150	77	31
Education	1.4	724	296	5
Health and social security	4.7	3,177	116	22
Art, Entertainment and Recreation	1.7	1,141	34	4
Other Services	5.8	4,143	4	0

ii. *Importance in national economy*

There is a notice on the subject of how fast micro enterprises are growing and that's due to many factors including bigger opportunities in collaboration with European Union for export of goods and services and additional opportunities in collaboration among ICT small businesses.

Additional notice goes to the legal and administrative speedups in business registrations which allow entrepreneurs to go fast from the initial idea, to registered business and then to first export contract.

This showed increase in registered businesses from 2013 but there is still big curve in failing businesses knowing that access to markets and capital is really low.

Micro, Small and Medium Enterprises (MSME) generate 80% of the annual national turnover.

iii. *Conditions of setting up and running a business*

The current Company Law has been effective since 2004. The amendment to the Company Law in 2005 facilitated the start of the Central Register at the beginning of 2006, as the body authorized to perform all company registrations and the institution to maintain the all companies Trade Register. This is the primary law regulating business activity. It defines the types of companies, procedures and regulations for their establishment and operations. Under the Company Law, companies are formed as separate legal entities that operate independently and are distinct from their founders, shareholders and managers. Depending on the type, companies have their own rights, liabilities, names and registered offices. The law defines five forms of companies: General Partnership, Limited Partnership, Limited Liability Company, Joint Stock Company and Limited Partnership by Shares.

Former Yugoslav Republic of Macedonia has introduced a ONE-STOP-SHOP SYSTEM that enables investors to register their businesses after 4 hours of submitting an application (in practice, it might take 1-2 business days). One can register a company by visiting one office, obtaining the information from a single place, and addressing one employee. This significantly reduces administrative barriers and start-up costs. For more information, visit the Central Registry office.

Company owners are required to invest in the company with minimum of 5,000€ initial Investment that can be provided as capital or in kind. The time for providing the initial capital is one year since the day of acquiring the registration documents.

iv. *General CSR and sustainable development policy and awareness*

In 2007 and 2008, the National Coordinating Body on CSR undertook major consultations to draft first public policy document for stimulating CSR – the National CSR Agenda, 2008–2012. The policy outlines the roles and responsibilities for each sector of society – the public sector, the business sector and the civil society – thus offering a truly multi-stakeholder approach in policy formulation and implementation. It stipulates 11 measures and 43 activities for reaching three objectives:

- Raising awareness on CSR;

- Developing the capacities and competences to help mainstream CSR;
- Ensuring an enabling environment for CSR.

As the market incentives for socially responsible behaviour of companies are still rather rudimentary, the public-sector institutions have a key role to play in promoting CSR and in creating an enabling environment. Thus, the most complex measures and activities relate to the work of public sector institutions requiring joint activities and a coordinated approach between a number of institutions. Thirteen state institutions and other public-sector regulators have the obligation to conduct activities aimed at stimulating CSR, and the Ministry of Economy is coordinating their work and gathering information from them for an annual progress briefing to the Government.

2.5 Greece

i. Important numbers/ statistics

SMEs are of great importance to the Greek non-financial business economy. They provide around 87 % of all employment, compared to the EU average of about 67%, and generate around three quarters of total value added, compared to the EU average of almost 57 %. However, SME productivity, measured as value added per number of persons employed, is less than half the EU average. The non-financial business economy depends strongly on micro firms, as they generate 34.3 % of value added and provide 57.3 % of all jobs. On average, Greek SMEs employ 2.8 persons, against the EU average of around 3.9.

Class size	Number of enterprises			Number of persons employed			Value added		
	Greece		EU-28	Greece		EU-28	Greece		EU-28
	Number	Share	Share	Number	Share	Share	Billion €	Share	Share
Micro	678,816	96.2%	93%	1,288,968	57.3%	29.8%	17.0	34.3%	20.9%
Small	23,829	3.4%	5.8%	412,490	18.3%	20%	9.5	19.2%	17.8%
Medium-sized	2,684	0.4%	0.9%	254,639	11.3%	16.7%	9.8	19.7%	18.2%
SMEs	705329	99.9%	99.8%	1956117	86.9%	66.6%	36.3	73.2%	56.8%
Large	368	0.1%	0.2%	294094	13.1%	33.4%	13.3	26.8%	43.2%
Total	705717	100%	100%	2250211	100%	100%	49.6	100%	100%

ii. Importance in national economy

Based on the SBA fact sheet of 2017 for Small Business in Greece, SMEs in Greece were hit hard by the crisis and have still not recovered. However, the Greek economy has made significant progress in rebounding from the recession, and SMEs are showing signs of recovery. Most recently, SME employment increased overall by 2.4 % in 2015-2016, while SME value added decreased by 1.4 % in the same period. 2013 marked the beginning of employment recovery,

specifically in small firms, which have recovered better from the crisis than larger firms; in 2013-2016, employment in small firms rose by 18.5 %.

Traditionally, most new businesses are in accommodation and food services and wholesale and retail trade. Moreover, especially since the economic crisis, many micro firms in Greece are active in the fast food sector and have low levels of growth and innovation.

However, a number of contests and awards have recently been established to encourage start-ups in sectors with high levels of value added such as information and communication. By 2013, more than 15 incubators, accelerators and funds had been launched. A new registry for start-up support organizations has been created to monitor this aspect of the Greek start-up ecosystem.

iii. Conditions of setting up and running a business

Despite the economic downturn and the lack of start-up financial support, the number of start-ups and incubators has increased significantly in the last several years. This is mainly the result of young entrepreneurs creating start-ups to avoid unemployment. However, Greek start-ups face restricted access to capital, the reluctance of financial institutions to finance innovative and risky investments, and significant resource restrictions for innovative ventures.

The cost of starting a business depends on countless variables, such as location, type of business, rental or purchase of property and equipment, bank loans, rate of interest, lawyer and accountant fees, cost of materials, your tax bracket, the industry, and whether you're an EU or non-EU citizen.

Greek law provides for a variety of legal forms for carrying out a business. In addition to establishing a Greek company or entity (partnership), foreign enterprises may establish and operate a business in Greece by forming a Greek branch or entering into a joint venture with another enterprise.

It is possible to register a new company in Greece within 3 weeks, with only one shareholder and one director. The minimum paid-up capital for the company is only 4,500euro. The tax rates have changed several times over the past 5 years and are very likely to change again.

iv. General CSR and sustainable development policy and awareness

In recent years, Corporate Social Responsibility has been the focal point of any effort, linking business to the real needs of society such as human rights, employment, minimum income, consumer rights, the natural environment as well as transparency and good corporate governance. The Ministry of Economy and Development has undertaken significant initiatives at European and national level to support CSR.

In the summer of 2017, a Ministerial Decision of the Ministry of Economy and Development formally depicted the willingness of the Greek State to develop and implement a National Strategy for Corporate Social Responsibility and Responsible Entrepreneurship of enterprises and organizations. The Working Committee reached a National Action Plan on CSR, which was put to public consultation electronically. The consultation was completed in July 2017.

Its own proposal for Corporate Social Responsibility and Sustainable Development in the context of UN 2030 has been elaborated by the Hellenic Organization for Standardization

(ELOT). The Agency, which developed the Greek version of the International Standard 26000: 2010 "Guidance on social responsibility", considers that a unified design and a single plan are required. Under the title "Social Responsibility for Sustainable and Fair Development in Greece", the project proposed by ELOT includes the National Strategic Sustainability Targets for 2030 and the Social Responsibility Obligations for Public Administration, Municipalities / Local Government, Business / Private Sector, NGOs and citizens. According to the Organization, the National Strategic Plan for Corporate Social Responsibility and Responsible Entrepreneurship of the Ministry of Economy and Development and the National Plan for the Strategic Objectives of Sustainable Development of the UN 2030 can be incorporated into a single draft government policy and commitment at the highest level, e.g. Office of the Prime Minister or General Secretariat of the Government.

2.6 Italy

i. Important numbers/ statistics

In terms of economic relevance, the overwhelming majority (99.9%) of enterprises active in the Italian economy (the third largest in Europe after the German and the French ones) are SMEs and they account for 81% of the workforce and 68.1% of the value added in Italy. The sector has a relatively small-scale structure: the share of micro enterprises is higher than the EU average and this particular feature does not depend on the sector composition.

Distribution of firms in Italy (*by firm size*)

Firm size (employees)	Number of employees	%
Micro (0-9)	3,660,256	94,6%
Small (10-49)	184,925	4,8%
Medium (50-249)	19,401	0,5%
Large (250+)	3,231	0,1%
All firms	3.867.813	100,0%

Note: Data excludes financial and insurance enterprises. Non-employer enterprises are included.

ii. Importance in national economy

SMEs constitute the backbone of the Italian productive system: the 94.6% of them have less than 10 employees, whereas the 4.8% have 10 – 49 employees and only the 0,5% have 50 – 250 employees.

As far as the economic sectors are concerned, 76% of SMEs having less than 10 employees concentrate in the service sector. This rate decreases to 46% for the group of 10 – 250 employees.

The service sector is a major contributor to the Italian economy. It accounts for approximately 73 percent of GDP and is also the fastest growing segment. Tourism, retail and financial services represent a significant part of the sector. The industrial sector accounts for approximately 25 percent of GDP with the remainder contributed by agriculture. Motor vehicles, fashion and luxury goods, life science, aerospace, chemicals, information and communication technology, logistics, renewable energy, and precision machinery are among the most important sectors of Italian manufacturing.

SMEs are mostly diffused in the North West and North East areas. The region with the highest number of SMEs is Lombardy, with the 20% of the manufacturing enterprises, followed by Veneto and Emilia Romagna.

iii. Conditions of setting up and running a business

To set up a business, Italian law requires you to draft an Atto Costitutivo (memorandum) and Statuto (articles of association) in the presence of a notary. The notary must be present either to draft the Atto Pubblico (incorporation agreement) or to certify the signatures of the shareholders (scrittura privata autenticata). The notary is responsible for registering the company on the Companies Register, held by the Chamber of Commerce of the municipality where the business is incorporated. The company will only exist following this registration. Immediately upon registration, the company receives a reference number for the procedure, the tax identification number and the VAT number. Within 48 hours the company receives confirmation of registration with the Companies Register as well as receiving documentation from INPS and INAIL (Accident Insurance Office).

iv. General CSR and sustainable development policy and awareness

The Italian government CSR policies: Key features

Relationship	Key aspects of CR policy and programs
Government– Public Administration	<ul style="list-style-type: none"> • Central government regulation and initiatives to promote the accountability of public administration, anti-fraud and corruption policies, occupational health and safety policies, green purchasing practices • Regional and local authorities increasingly important in the CR field • Lack of coordinating framework for the different initiatives promoted at different government levels
Government Business -	<ul style="list-style-type: none"> • Many policies and programs implemented by national, regional and local governments • Common objective of CR programs, to combine stronger competitiveness with enhanced social cohesion • Innovative and widespread approach to CR through a broad set of policies

**Government–
Civil Society**

- Great attention paid by all levels of government to civil society
- Increasing support to and focus on social enterprises, non-profit organizations that carry out economic activities benefiting society

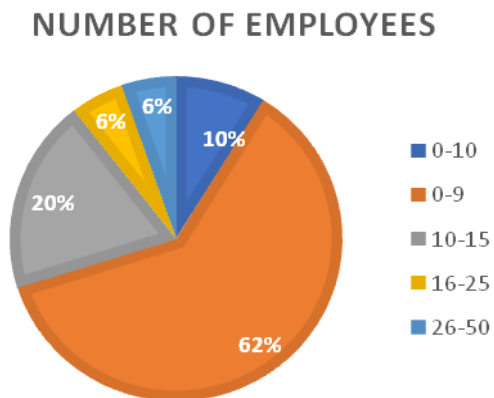
3. Summary of questionnaires and interviews results

Companies: The questionnaire was compiled by 57 companies, 28% of which have people of different nationalities in their ownership structure and/or management.

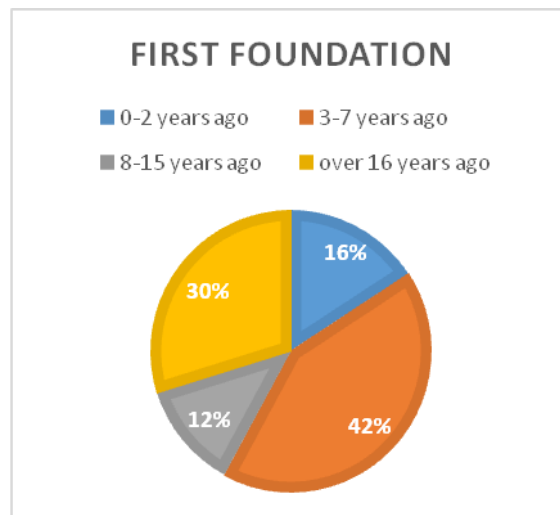
75% of the interviewed companies are based in urban areas, 77% are commerce and/or services companies and 23% are manufacturing companies, none are of the agricultural sector.

Composition of the sample according to:

The number of employees:



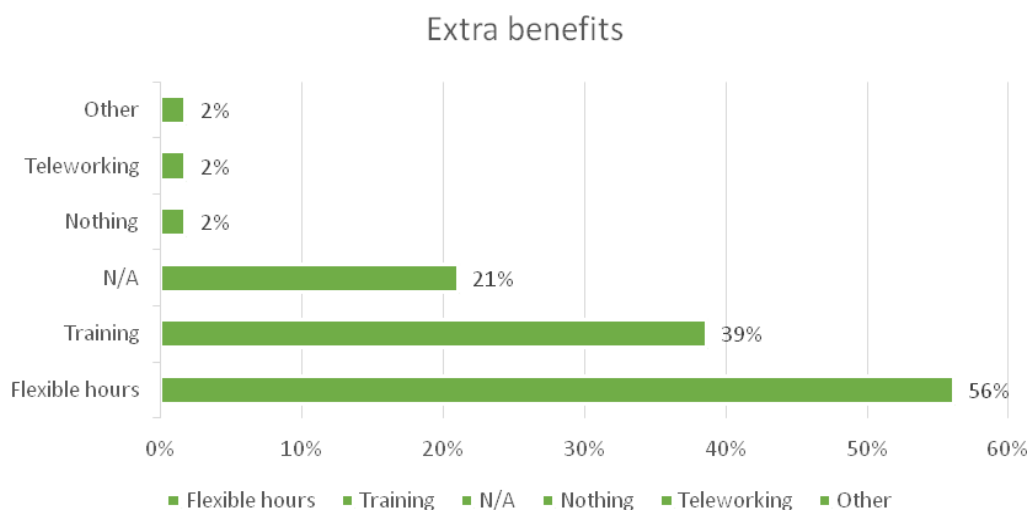
First business foundation:



Training attended to run business:



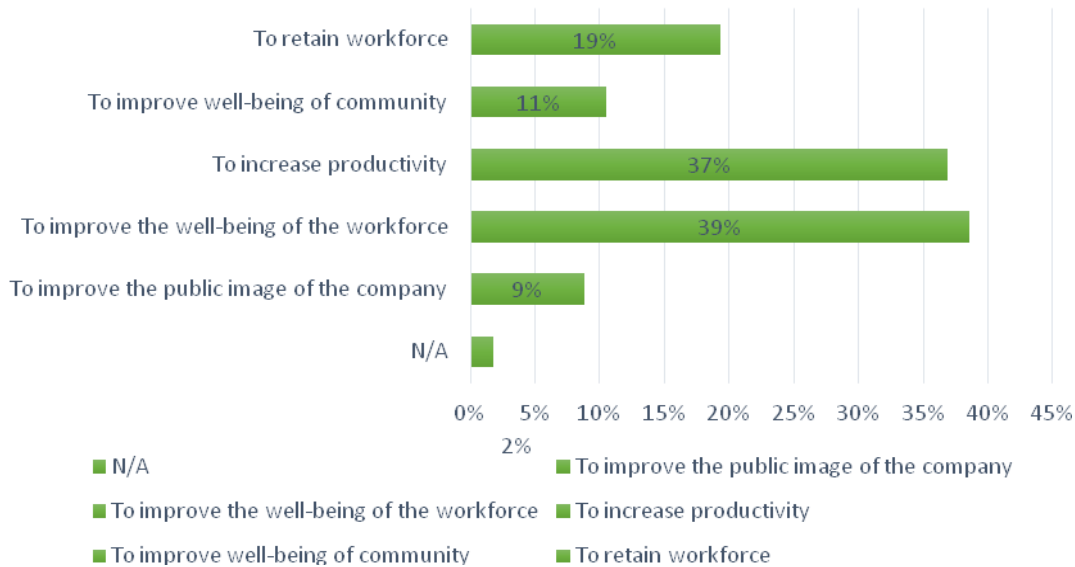
77% of the respondent companies provide extra benefits to their employees:



Only 23% of the companies provide special benefits for working parents including, teleworking, flexible hours, higher salary and/or rank, childcare, shift changes when children are ill, paternity leave and also bring to or take children to kindergarten/ school.

50% of the companies provide special working conditions: 37% air-conditioning, 35% kitchen facilities, 5% playroom and relaxing spaces, 2% sport facilities, food stamps, lunch snacks and showers. The reasons to give workforce more benefits / facilities than required by law or contracts are:

Reasons for benefits



67% of the sample cooperates with local companies or support local suppliers, 63% recycles, 58% adopts energy saving measures, 44% sponsors cultural events.

Only 9% of the companies interviewed sponsor their employees to use public transports. 72% don't have special facilities for customers with disabilities.

At the question "Do you think your clients would be willing to pay more if they knew your products are environmentally friendly", 72% of the companies answered no. 72% of the companies of our sample have an idea of what CSR is and 56% agree that a training course regarding the issues discussed in the questionnaire would be useful.

The companies pointed out the reasons while such knowledge and practice could have an impact on the following issues:

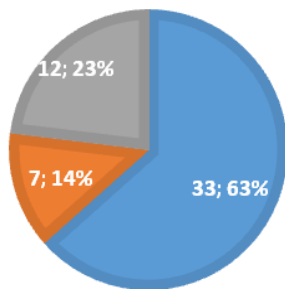
CSR impact



Training institutions: The partners interviewed 52 training institutions in total: 33 adult education centres, 12 VET training centers and 7 Universities. The majority (87%) of them are based in urban areas. 60% of the institutions host from 0 to 500 students per year, 8% 501-1000, 15% 1001-2000 students and 17% over 2001 students/ trainees per year.

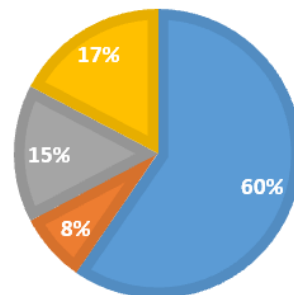
TYPE OF TRAINING INSTITUTION

■ Adult Education/ Training Centre ■ University ■ VET



NUMBER OF TRAINEES PER YEAR

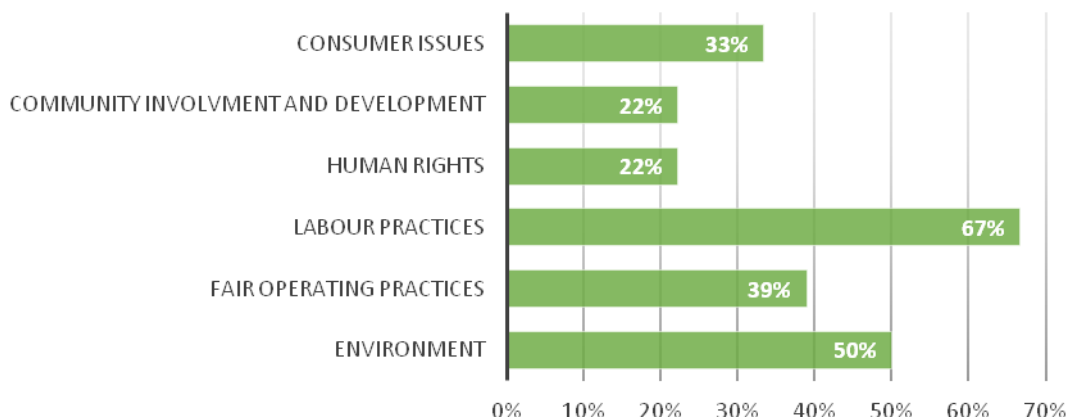
■ 0-500 ■ 501-1000
■ 1001-2000 ■ over 2001



The training institutions offer in-class training (75%), e-learning (34%) and blended learning (33%). To deliver training, 49 out of 52 Institutions use course books, 44 use articles, 31 videos, 32 websites, 16 interactive tools, 12 mobile apps, 2 use films and 1 uses video classes.

Only 18 institutions (35%) previously delivered CSR courses, most of them (12) in the area of labour practices. Other areas of CSR training are environment (9 respondents), Fair operating practices (7), Consumer Issues (6), Human Rights (4) and Community involvement and development (4).

CSR areas of trainings provided



The courses in most cases were funded by the companies and by the entrepreneurs themselves. In 3 cases, the courses were funded by the government and in 1 case by the Businesses and Public Administrations.

For 56% of the respondents it was difficult to find appropriate trainers for CSR training.

CSR courses haven't been organized in 18 cases because there is no request/ interest in this topic, in 10 cases because the organizations never thought about it and because there is low awareness of CSR and SD issues. In 6 cases the institutions haven't organized CSR and SD courses due to lack of good training material.

85% of the respondent organizations would be interested to organize CSR courses in the following areas:



The preferred modality would be e-learning (23), blended (22) and less in class (5).

4. General conclusions, recommendations and guidelines for curriculum and course development

CSR awareness

In **Poland** micro and small enterprises constitute 99% of all enterprises which is a significant number. Most of micro firms are run by entrepreneurs who employ members of their family or friends. It is worth pointing out that many entrepreneurs use CSR practices but are often not aware of them. They also think that issues related to CSR and SD are mainly the responsibility of big corporations, often not realising that these do not have as significant impact as micro and small enterprises.

In **Germany**, it can be stated that the awareness and the importance of CSR is increasing. The National Action Plan was launched which shows that the topic is relevant on the political agenda on national level. At present the large enterprises have started to implement current activities, becoming aware that CSR does not only influence human resources but also other important areas, such as client relations and legal issues. Since the National Action Plan has been implemented and CSR is getting more and more important for large companies in the long run this will also be the fact for SMEs in Germany. This means that for smaller companies the awareness and importance will also grow during the years to come.

In **Spain**, Corporate Social Responsibility as well as Sustainable Development are starting to be included in institutional agendas and in the management of new companies. However, even if Corporate Social Responsibility is known by both training institutions and new companies, it is not yet a deeply-rooted culture. Some training about these topics is being offered and some companies carry out different initiatives, but it is not totally assimilated practice.

In **former Yugoslav Republic of Macedonia**, there is willingness to enforce relevant measures, though judging by comments expressed on CSR-related events, it can be noted that businesses and the public are insufficiently informed of these efforts. The Ministry of Economy has been involved in efforts to raise awareness regarding CSR among regulators included in the National CSR Agenda and the agency in charge for attracting foreign investment.

In **Greece**, it is a fact that society is more tolerant to socially irresponsible behaviors than other European societies and whereas some CSR practices as for example recycling are legally mandatory in many EU countries, in Greece they are voluntary practices and not very popular. When people are asked what they have in mind regarding CSR, the majority would think of charity events and community volunteering initiatives that cost a lot of money and are not applicable by the owners of small and micro companies. CSR is still connected to 'marketing' – promotional practices rather than the entire network of their business activities. The fact that SMEs follow moderately to low CSR practices is due to a combination of factors including cost, lack of time and inadequate information.

In **Italy**, whilst large enterprises interpret CSR as a multi-stakeholder approach, in SMEs, CSR practices are based on synergies and relationships between different subjects; i.e., they are based on social capital. The concept of social capital is generally associated with the intangible assets of reputation, trust, legitimacy and consensus. Socially responsible behaviour is often able to originate and endorse trust links between different actors: this represents the basis of the long-term performance of SMEs embedded in the local communities in which they operate. If it is true that the use of informal CSR is very common among SMEs, the transition toward a formalized CSR is often very difficult. An investment in CSR is often considered hard and uncertain: hard because the enterprise needs to find resources for it; and uncertain because there is not enough empirical evidence explaining the benefits achieved by social responsibility strategies. Moreover, enterprises perceive CSR as a complex business issue that requires a specific expertise.

❖ **Suggestions for training material**

- ✓ Entrepreneurs are familiar with the concept of Corporate Social Responsibility and sustainable development but not always can associate it with the whole range of activities which it denotes. It is vital to show the complexity of the concept of CSR and SD, show the various areas which should be applied and explain the interrelation between them.
- ✓ The smaller the business the more the owner is involved in the daily activities of running it which means that the time dedicated to an extra training is very limited. In case of costs, the situation is similar. The owner must see the added-value of taking part in such kind of course programme. It is concluded that a free blended or e-learning option would support the needs of the SMEs and their owner/managers.
- ✓ When developing the curriculum, we should consider the idea to address in depth the issue of benefits of CSR for SMEs.
- ✓ Should be properly addressed the idea that being a responsible, sustainable business, will save money (energy, packaging etc.), win consumers, encourage innovative business practices and inspire own workforce.

CSR and labour practices

The entrepreneurs interviewed provide special working environment but it is limited to air-conditioning or kitchen facilities. In Italy, is also quite common to have relaxing spaces. The entrepreneurs might not have enough ideas or they might lack of knowledge on the available range of possibilities. In many cases, they offer some facilities but they do not identify them as extras for working environment.

According to the results, the main reasons for offering these kinds of facilities to their employees are to improve the well-being of the employees and to increase productivity. Retaining the workforce is another good reason. Community involvement is not something

that concerns the entrepreneurs, neither improving the public image of the company seems very high priority.

❖ **Suggestions for training material**

- ✓ Good practice examples on CSR labour practices would be useful, these can be provided either by other small entrepreneurs or taken from big companies.
- ✓ Entrepreneurs should be shown more benefits resulting from CSR activities, with more focus on community involvement.
- ✓ It could be interesting to illustrate how companies can implement small and not very costly CSR initiatives. By doing so, SMEs will probably realize that some of them are already being implemented but not considered as an outstanding CSR policy.
- ✓ It should be clarified what practices are required by law and what is a fair/CSR initiative.

CSR and Environment

Most of the entrepreneurs who were interviewed claimed they recycle and take measures to save energy but these actions are limited to waste segregation, using energy-saving bulbs/lighting, installing ecological heating, switching off lights, computers etc. once the work is finished, which is again understood as an obligation and not a special measure.

In the same line, the use of public transportation is not fostered, only 8% of them sponsor employees to use local transport. Even in Germany where all interviewees were located in rural areas with limited public transport, none of them seems to promote this practice. However in Spain, some of the companies mentioned to have initiatives within employees for car sharing.

❖ **Suggestions for training material**

- ✓ More possibilities should be presented, it is essential to show the benefits not only for the company (cutting-costs) but also for the environment.

CSR and Community Involvement

Most of the interviewees (56%) do not sponsor any cultural or social events. They might not be aware of such possibilities or simply may not know which actions they might participate in.

However, a significant 67% prefer to cooperate with local companies and support local suppliers.

❖ **Suggestions for training material**

- ✓ There are many social initiatives which can be sponsored by a business. Entrepreneurs should be aware of them and should know how to search for such opportunities. Some might not be so obvious but may have great impact on the society.

CSR and Human Rights

Regarding accessibility for people with some kind of functional diversity, the research showed that 72% of entrepreneurs do provide special facilities apart from those required by law. In Germany, 33% are located on the ground floor with barrier-free access to their shop or restaurant. In Spain, new construction buildings are now obliged by law to comply with some minimum rules for accessibility.

❖ Suggestions for training material

- ✓ The ISORESS training course should familiarize trainees with issues related to disability and possible solutions which can be introduced even in a small company.

CSR and Consumer issues

72% of the interviewed entrepreneurs think that the clients will not be willing to pay more for products made or services provided by a company following CSR rules. In Germany, this percentage is lower (50%) but still shows some reluctance.

❖ Suggestions for training material

- ✓ Entrepreneurs themselves should learn how to raise awareness on CSR and make the change in their customers' attitude.
- ✓ We must convince entrepreneurs that acting in accordance with CSR does not necessarily have to result in financial benefits.

Benefits of CSR

Most entrepreneurs consider that the engagement with CSR activities would have an effect mostly to the image of the company (65%) and their business ethics (46%). Marketing, well-being of the employees, productivity and fair practices were also common responses (30-35%). It seems that they have low awareness about the impact of CSR practices on cost saving, customer appreciation and loyalty and cooperation with other business.

❖ **Suggestions for training material**

- ✓ The ISORESS training course should highlight all benefits which come from employing CSR and SD concepts. This can be done through demonstrating good practice, presenting successful stories, or showing not so obvious, indirect benefits through cause and effect technique.
- ✓ It would be very useful and motivating if ISORESS training materials would point out the impact of several CSR practices on the company, on the employees and on the society in general and make the benefits of CSR more explicit for the company owners.
- ✓ The benefits should be stressed, also using as examples, the Good Practices Guide (IO2) that carefully implemented CSR policies can help SMEs to :
 - Develop and enhance relationships with suppliers and networks: The ability of a company to attract and retain customers is grounded in the ability to offer attractive and relevant products whilst providing excellent customer service. Attracting and retaining a customer base is a constant process and is key for generating future revenue. Evidence shows that if quality and price are equal, customers will tend to choose the product where CSR is more evident.
 - Save money on energy and operating costs and manage risk: a good CSR strategy can increase the efficiency of business, both in terms of productivity and operating costs. A positive workplace atmosphere has been proven to increase employee productivity – a strong CSR strategy can help to create a positive working environment and the increase in productivity associated with this can contribute to the reduction in operating costs. Energy efficiency is an obvious way in which CSR and operating efficiency can be co-ordinated but an impact can also be made through recycling and re-using materials.
 - Improve business reputation: a good reputation is key for SMEs to attract customers, employees and investors. A transparent CSR strategy where customers can see ethical behaviour and good stakeholder engagement helps to build the trust and reputation which is crucial to the success of SMEs.
 - Attract investment and funding opportunities: Access to capital can be a problem for many SMEs, but a strong CSR strategy can help. In fact, a company which shows no commitment to CSR can be seen as more risky to investors and therefore may be less likely to attract investment.
 - Standing out from the competition: Brand differentiation has always been a primary reason for companies to adopt CSR; and in a saturated market CSR can really set a company apart from competitors.

Training institutions

It should be noted that the majority of the training institutions which are currently offering some training about CSR and SD, mention these topics in an indirect way, in a course not

focused on it. The reasons for not offering courses focused on CSR and SD are mainly the lack of request and the low awareness about this issue.

Training institutions expressed the need to provide training on CSR. Labour practices, consumer issues, fair operating practices and environment were the areas of most interest. Community involvement and Human Rights are topics considered less appealing for the training course, far from the interest of trainers.

The training institutions also mentioned lack of professional trainers as one of the main obstacles. This finding also supports the project idea of training the trainers.

Training institutions are also working as businesses so they must assure the economic success of running a training course. Free e-learning offers are also one way to lower the costs for running training courses and make a course more profitable. This means that the training institutions would also take advantage from a free e-learning offer from the ISORESS project.

At the same time, the number of relevant materials/resources offered for the training of CSR with SMEs is still very limited so that the new developed ISORESS materials could support to overcome this gap and to further develop the topic in Europe.

❖ **Suggestions for training material**

- ✓ Since all of them run either e-learning or blended courses it is advisable that the material is interactive and can be used on the e-learning platform.
- ✓ Provision of interesting, complex curriculum and digital, interactive material.