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Corporate Social Responsibility in France
A Mix of National Traditions and International Influences

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Abstract

This article explores the dynamics of the discourse and practice of corporate social responsibility (CSR) in France to illustrate the interplay between endogenous and exogenous factors in the development of CSR in a country. It shows how the cultural, socioeconomic, and legal traditions influence the way ideas are raised, the kinds of questions considered relevant, and the sorts of solutions conceived as desirable and possible. Furthermore, the article traces how expectations and practices evolve as a result of various social and economic factors within a country, and increasingly, as a result of global influences such as the international academic discourse, the international practices of multinational companies, nongovernmental organizations and trade unions, and initiatives of supranational organizations. The article closes with reflections about what can be learned from the French experience with CSR and how to stimulate such cross-border learning.

The fact that the literature on corporate social responsibility (CSR) is overwhelmingly Anglo-American in origin and focus (Gerde & Wokutch, 1998) does not mean that researchers and organizations in other countries have remained silent and inactive. Indeed, many have long traditions in which the nature of the discourse differs to a greater or lesser extent from the discourse represented in publications by U.S. academics, and the experience with practices varies from country to country as well. The cultural, socioeconomic, and legal context influences the way ideas are raised, the kinds of questions considered relevant, and the sorts of solutions conceived as desirable and possible. It would be a mistake, however, to consider discourses and practices as fixed in tradition. Expectations and practices evolve as a result of various social and economic factors within a country and, increasingly, as a result of global influences. The way CSR is conceived and implemented in a country today is certainly affected by the international academic discourse, by the international practices of multinational companies, nongovernmental organizations (NGOs) and trade unions, and by initiatives of supranational organizations.

This article explores the dynamics of the discourse and practice of CSR in one country, namely France, to illustrate the interplay between factors internal to the culture and sources originating outside the country. The aim of this analysis is, therefore, less to present the state of the art of CSR in
a single country, than to determine the influence of different social, economic, cultural, and legal factors on the way CSR is conceived and implemented. This article first reviews a range of factors internal to the national culture that have shaped the way CSR has been understood and practiced in France, as well as a number of factors that are contributing to change. To highlight the endogenous and exogenous factors of change, the article then compares the traditional concepts and practices of CSR developed in France to the experiences since the mid-1970s. In closing, the article draws some conclusions from the French situation that might be useful for the debate on implementing CSR in other countries of the world.

**Traditional French Approaches to CSR**

France is a particularly interesting case to explore for several reasons. It is one of the world’s largest economies; however, little is known internationally about how French companies operate in society because few articles have been published on the subject in English to date. It is useful to keep in mind that despite increasing internationalization, the economic structure of France is still quite different from those that prevail in the Anglo-Saxon countries, and this influences the relationship between business and society. Even if all the recent French governments have (partially under the pressure of the European Union) privatized many companies, the French economy remains characterized by the significance of the public sector. Another important feature of the French economy is the role played by social economy organizations, particularly in the financial and the insurance sector (Jeantet, 2000, p. 47).

Besides these economic elements, the discourse and practice of CSR in a country are embedded in the understanding of the roles of business and government in society and of the role of other groups of social actors, both of which evolve over time. Other cultural factors, such as religion, also contribute to shaping the values and expectations of the various actors involved. In France, the influence of traditions and history may be more marked than in some other countries “not least because many people think deeply about the origins and development of their institutions in an analytical, political and historical way” (Charkham, 1995, p. 119).

The nature of French academic institutions in the field of management and the English-language barrier have also had implications for the academic discourse about the business–society nexus. A review of the contributions to 15 leading management journals from 1981 to 1992, for example, revealed that less than 1% of the articles were written by authors based in France (Engwall, 1998). Research has traditionally been an elite vocation in France (Venard, 2001, p. 23), pursued at research centers or at universities in the form of research professorships (which are distinct from teaching careers). Business schools are independent of the university system, and traditionally they have focused on teaching. Only within the past few decades have French business schools started to invest in research, (Venard, 2001, p. 5). The orientation of French management researchers has remained primarily national, extending to include francophone colleagues from Belgium, Canada, and Switzerland in conferences and publications (Venard, 2001, p. 26). As a result, although France has a long tradition of CSR, little is known internationally about the French experiences with CSR because very few articles have been published on the subject in English to date (exceptions include Beaujolin & Capron, 2005; Capron & Gray, 2000; Rey, 1980; for corporate citizenship, see also Maignan & Ferrell, 2001).
There are additional barriers to talking and writing about corporate social responsibility in France. These barriers are of a linguistic and philosophical nature. The translation of the words *corporate social responsibility* does not have the same meaning in the French tradition as they do in the Anglo-American context in which they originated. Furthermore, some of the principles associated with CSR in the Anglo-American context are at odds with the traditional French conception of the business–society nexus (Segal, 2003, pp. 16-17).

**Influence of Language and Problems of Translation**

First, for linguistic reasons the very term *corporate social responsibility* tends to cause confusion because in French there is no distinction between the notion of *responsibility* and the legal concept of *liability*. Therefore, still today, the question of the legal implications of CSR and of its voluntary character seems to be more prevalent in discussions in France than in other countries in which such discussions are generally limited to the community of lawyers. As a result of this tradition, various French actors are either insisting on the distinction between CSR and legal liability (Villette, 2003), or trying to build bridges between these two very different concepts (Sobczak, 2003a; Supiot, 2004).

A second problem with introducing the notion of CSR in France is that the French understanding of the term *social* is very different than in English. Whereas in English the term *social* includes society, in France it is focused internally on labor related-issues, rather than on external stakeholders. This linguistic and cultural difference has practical consequences. CSR initiatives in France have traditionally had a much narrower scope than do their Anglo-American counterparts. Today, French actors are introducing other terms, like *sociétal* to avoid the limitations of the concept *social*, and they are consciously positioning their CSR activities under broader headings. For example, Total, the French oil company, presents its English Web site under the banner of CSR; however, in French the heading is *Responsabilité Sociétale et Environnementale*. The drawback of this terminological specification and positioning is that the traditionally important internal dimension may now actually be neglected because the new term focuses attention explicitly on the relations with the general society or the natural environment but renders invisible the labor relations aspects that are embedded in the French word *social*.

In the early 1980s, the preferred term in France was *corporate citizenship*; however, here again the meaning was not exactly the same as in the United States because two concomitant concepts were linked to the term of *citizenship*. On the one hand, the idea developed in the Anglo-Saxon context that a company should behave like a citizen that has not only rights but also obligations toward the State and the national community (license to operate) found support in France particularly among young owner managers. On the other hand, the concept of *citizenship* was invoked in France by various opinion leaders, including the minister of labor in the 1980s, to promote the idea that workers should be citizens not only within the State but also within companies (Auroux, 1981). This concept of *corporate citizenship* became embedded in new legislation aiming to empower workers in companies by strengthening their rights to information and consultation (see also, Ray, 2000; Supiot, 1998).

**Influence of History, Culture, and Religion**

Beyond the terminological hurdles are several features of French business–society relations that differentiate the culture from the Anglo-American context of CSR: the strong role of the State, the
mistrust toward private actors to provide general good, and a certain skepticism toward
transparency.

The most significant principle distinguishing the business–society nexus in France from the Anglo-
American context is the strong role of the State. The “government’s right to influence and, where
necessary, intervene quietly and effectively behind the scenes is expected, respected, and, it would
seem, admired” (Charkham, 1995, p. 120). The longstanding tradition of centralized power and faith
in changing society via legislation in France is one factor behind the acceptance of what in other
cultures would be seen as intolerable state interventionism. It is thus not surprising that the
discourse and practice of CSR in France has generated a body of legislation regulating business
behavior corresponding with the culturally shared understanding of roles and responsibilities. For
example, France was a pioneer in introducing mandatory corporate social reporting in 1977, and it
used legislation again in 2001 to try to mainstream the integration of social and environmental
criteria in the annual report of listed companies.

Stemming from the Jacobean tradition of “State monopoly on providing for the general interest of
society” (Halba, 2003, p. 13, our translation), and the concomitant mistrust of intermediary
organizations between citizens and the state that finds its roots in the French Revolution, the role of
other actors, for example, companies and trade unions, has for a long time been limited. Even
centering the internal aspect of CSR, that is, the business employee relations, “government
interference through formal laws in labor management relationships and in management is widely
accepted” (Rey, 1980, p. 292). Trade unions in France were able to influence the regulation of labor
relations; however, unlike the processes in other countries, traditionally the legitimacy and the
power of these unions stemmed more from their relationship with the government than from their
actions on the company level. Indeed, still today the ability of a union to negotiate with the employer
and to present candidates to the elections of the works council Berthoin Antal, Sobczak / Corporate
Social Responsibility 5 depends on their representative character that is defined by the public
authorities. The French legislator defined a list of criteria to determine whether a union is
representative or not (Law on Collective Bargaining, 1982, Article L.133-2), and the list of five unions
drawn up by the government had drawn up in the 1960s is still in force, determining which unions
are automatically recognized as legitimate in all companies nationwide (Decree on the
Representativness of Trade Unions, 1966).

In this context, any form of self-regulation in the field of labor relations that is elaborated without
the State is traditionally considered to be a form of privatizing law (Delmas-Marty, 1998, p. 73), a
solution that seems acceptable to French labor lawyers only if it relies on a form of social dialogue
and not on unilateral decisions of the employer (Supiot, 1989). It is, therefore, difficult in France to
conceive of business as taking a lead in social affairs, even in conjunction with other actors, without
government involvement at least to ensure that all the parties have their say.

Another key difference between the cultural contexts of CSR development is that the principle of
transparency that underlies CSR in the Anglo-American context is foreign to the French tradition. The
idea of communicating about corporate social performance to a larger public goes against the grain
of the French catholic culture. Instead, “discretion about good deeds, on the part of individuals or
companies, is regarded as a proof of sincerity and disinterestedness” (Segal, 2003, p. 17, our
translation). Traditionally, to the extent that business chose to engage in the community, it was not
deemed appropriate to report on its activities publicly. This skepticism about transparency and public reporting of good deeds explains why the “business case for CSR” has been particularly problematic for France. Indeed, until recently (Trébucq & d’Arcimoles, 2004), very little research has been conducted by French researchers about the link between social and financial performance.

The skepticism about public reporting and the understanding of the central role of government have had a clear influence on the French legislation on social reporting. In the 1977 law, companies were required to submit their social reports to their works council and to a government agency rather than to the general public.

Up to the mid-1970s, the French approach to CSR was thus still influenced in many aspects by the national traditions and characterized by the important role of the State, a focus on employees and reluctance to transparency. In the following section, we analyze the degree to which these national traditions still play a role in the debates and experiences during the past few decades.

The Concomitant Influence of Traditions and Factors of Change Since the Mid-1970s

Since the mid-1970s, the business–society nexus in France has undergone significant change.

The old French model has disappeared and a new model has emerged, which still relies on many elements of the old French system, in which the state and the large firms are critical actors, but it does so against a corporate governance background which is integrated in the international (Anglo-Saxon) capital market. (Hancké, 2001, p. 307)

The changes have come about from a combination of forces and processes. Some changes were generated by the traditional actors and processes, whereas others have been stimulated largely by external actors and pressures; however, this article argues that in both cases the influence of the cultural context on stakeholder strategies and policies has been of great importance. To highlight the endogenous and exogenous factors of change, the evolution of the main characteristics of the traditional French approach to CSR is analyzed.

The Ongoing Influence of the State

As compared to many other countries, and particularly to the United States and Britain, the French State played a leading role in the field of CSR between the mid-1970s and the mid-1980s, achieving changes via legislation. For example, France was a pioneer in requiring corporate social reporting, introducing legislation for the “bilan social” [social report] in 1977 (Law on Social Reporting, Article L. 438-1). This reporting requirement covered 134 items and indicators relating to employment, salaries, health and safety, training, working conditions, and labor relations (Gautier, 1999; Urminsky, 2003). Admittedly, the scope of the report was relatively narrow because it only covered employment-related matters; however, it was a first step toward establishing a standardized set of detailed items. Even more important, the reporting process specifically included a dialogue with employee representatives, the key stakeholders for the social report. Possibly as a result of the traditional French skepticism about public reporting, and in keeping with the understanding of the central role of government, the 1977 law required companies to submit their social reports to a government agency rather than to publish them.
Today, the State continues to play an important role; however, different legislative approaches have expanded the scope of corporate social responsibility beyond employee-related matters.

**Social and environmental reporting imposed by legislation.** A first example is the legislation on New Economic Regulations in 2001 that supplemented the 1977 law on the “bilan social” by expanding the scope of reporting and changing its readership. As of 2002, all the companies listed on the French stock market were required to publish social and environmental information in their annual report (Sobczak, 2003b). This solution is in line with the concept of *triple bottom line* developed by Anglo-Saxon academics (Elkington, 1998). Of course, the mere fact of imposing a common framework on reporting by defining a precise list of social and environmental criteria to report on is still a mark of the role the French State intends to play in the field, while the governments of most other countries remain quite reluctant to intervene.

The new legislation of 2001 covers not only labor aspects but also the impact of business on the natural environment, something that had been debated (but not acted on) in France even in the late 1970s (Vogelpoth, 1980). The decision to require the inclusion of social and environmental information in the annual report (rather than creating a separate report) certainly strengthens the impact of the legislation. It is now generally recognized that the impact of the “bilan social” was hampered by the fact that the reports were only submitted to government authorities rather than being diffused to a wider audience capable of reading it and exerting pressure for change (Conseil Économique et Social, 1999, p. 16). The inclusion of the social report into the annual shareholder report raises a difficult question, however: Do the social and environmental sections of the report have to be certified by the traditional auditors? A more general concern is that the new legislation was adopted under time pressure, and the interpretation of certain of its key elements is thus not always very clear. This is particularly true concerning the scope of application of the reporting obligation. Empirical studies of the first 2 years of reports show that companies are responding quite differently to this fuzzy situation (Ernst & Young, 2004; Goudard & Itier, 2004a, 2004b). For example, some companies chose to interpret the law to require them to provide the social information only for the company’s head office, even though it is clear that the legislator’s intention was to include at least the whole group, and for some items even the whole supply chain (Goudard & Itier, 2004a).

Another weakness of the 2001 legislation is that, in contrast to the earlier legislation on the “bilan social” that imposed a consultation of the works council, it makes no provision for any kind of stakeholder dialogue. As a result, the report to the French government on the impact of the new legislation notes critically that internal and external stakeholders have not yet started to use the rather detailed information made available to them in the published reports (Entreprises pour l’Environnement et al. [EPE, OREE, & ORSE], 2004, p. 65). Of course, it would be more difficult to organize such a dialogue because the extension to environmental aspects would logically mean expanding beyond workers’ representatives to include NGOs and local citizen action groups. However, the requirement of some kind of dialogue about the report would have certainly enhanced the legitimacy, credibility, and use of the information given in the annual report.

**Philanthropic activities stimulated by legislation.** The other endogenous attempt to introduce changes in the conception and practice of CSR and corporate citizenship in France by stimulating companies to expand the scope of their activities to philanthropic activities has met with mixed responses. Several laws have been passed during the past decades to stimulate corporate
philanthropy in France (1987, 1999, 2002); however, their impact is generally considered to be quite low (Halba, 2003; Morel, 2003). Significantly, the law passed in 1987 specifically maintains the primary role of the state in providing for the general interests of society by stating that the law’s intention is to “engage the firm rather than to disengage the State” (Halba, 2003, p. 3, our translation). The slow uptake on incentives for corporate philanthropy and the creation of corporate foundations is explained by the traditional sense that “the general interest is the exclusive domain of the State” a territory onto which it is risky for private companies to trespass (Halba, 2003, p. 8). Furthermore, there is “the mistrust shown towards companies that want to engage in domains that are not traditionally theirs” because overall in France, “companies intentions are still measured and judged against their degree of disinterestedness” (Morel, 2003, p. 29).

The ambiguous nature of calls for expanding corporate activity into the social and cultural domain that has traditionally been the prerogative of the state has nevertheless borne some interesting new fruit. As in the field of labor relations, where the State acted as an enlightened employer, it is not surprising that public companies or those that have recently been privatized, and cooperative and mutual banks have responded more actively to the new laws stimulating corporate philanthropy than other private companies (Halba, 2003, p. 8). Public companies and mutual banks have not been focused on seeking maximal profits, and their traditional mission has included a broader scope of contribution to the general interest, so expanding Berthoin Antal, Sobczak / Corporate Social Responsibility 9 activities into social and cultural affairs is easier to conceive of and legitimize. For example, the largest public utilities company in France, EDF-GDF, joined forces with three unions (CFDT, CFE-CGC, and CFTC) to create a foundation dedicated to stimulating employment. The foundation’s budget is based on individual donations from employees, which are doubled by their employers. Furthermore, the employees are personally engaged in the foundation’s projects, thereby adding to the monetary form of corporate philanthropy a “philanthropy of competence,” in other words, the giving of time and skills (Halba, 2003, p. 9).

The law for social modernization (Law on Social Modernisation, 2002) tries to expand the practice of “philanthropy of competence.” This law is designed to encourage employers to look beyond diplomas and degrees and formally recognize the skills, knowledge, and experience people develop by working in different contexts, including voluntary social work. The idea of linking CSR with a philanthropy of competence by encouraging people to engage in socially useful activities and validating their experiences in a professional manner can be seen as an extension that fits well within the traditional French focus of CSR on employee relations. Companies are discovering that such forms of philanthropy allow them to achieve socially responsible goals in society and for their employees, who develop skills and motivation in the process. Such developments represent a shift in the French conception and practice of CSR by legitimizing corporate activities for the community; however, the examples indicate that the central role of the State remains undiminished.

The examples of the recent laws on reporting and philanthropy of competences prove that in France legislation is still considered a major tool for stimulating CSR in companies. However, these pieces of legislation are clearly influenced by the international developments in the field of CSR. They represent vehicles for trying to reconcile the French approach with the need to take into account the expectations of stakeholders that are becoming increasingly international. The influence of experiences in other countries is even more evident in the legislation imposing a certain transparency for investors, namely for pension funds. Indeed, after Great Britain in 1999 (The
Occupational Pension Schemes, 1999) and Germany in 2001 (Law on Retirement Savings, 2001, Article 7) had obliged pension funds to make public whether and to what extent they consider ethical, social, and environmental criteria in their selection, retention, and liquidation of investments, the French legislator decided to introduce similar principles. This was the case in the law creating the large public investment fund aimed at adapting the French retirement system to demographic trends (Law on 10 Business & Society Different Social and Economic Measures, 2001, Article L. 135-8), and in the law on employee saving plans that trade unions and employers manage jointly (Law on Employees’ Financial Participation, 2001).

Beyond legislation. Another evolution in the role of the French State is that today it uses also other forms of influence than legislation. A first example for this is the creation by the government of a label for companies with particularly proactive policies toward female workers (Ministère de la Parité et de l’Égalité Professionnelle, 2004). Such an action based on incentives complementing mandatory rule is a major change in the policy of public powers in France and seems even more surprising as it deals with employees’ rights, the traditional heart of CSR activities in France.

A second example for the French State using new forms to favor CSR is its role in the success of the Global Compact in France. This United Nations initiative, launched by the secretary general in 1999, provides a platform for companies to engage in and report about voluntary CSR activities around the world. The president of France, Jacques Chirac, started in 2002 to appeal to the heads of French companies to become signatories to the Global Compact. From 8 French companies that had signed up by January 2003, the number jumped to 190 in the fall of that year, reaching 393 by May 2005. Chirac invited the leaders of the signatory companies to the Elysée Palace in January 2004 to launch the Forum of the Friends of the Global Compact in France in the presence of Kofi Annan. The secretary general of the United Nations thanked “President Chirac for making France a leading country in the Global Compact movement” because “French companies are rightly seen as among today’s champions of corporate citizenship” (Annan, 2004, ¶ 3). Indeed, in November 2004, the French network of companies having signed the Global Compact was integrated in one of the two working groups created to think about the governance of the Global Compact. It remains to be seen how these companies follow up on their commitment in the years to come; however, the first step toward learning from a process of annual public international reporting has been taken by a critical mass of companies in the country (Ruggie, 2002). The Forum of the Friends of the Global Compact in France has created regional platforms to help the companies fulfill their commitments. These platforms bring the member companies together with a business school, and an engineering school, that are selected to be the local representatives of the State—once again underlining the important role ascribed to the State in France. The politics of stakeholder influence, once again, ran through the State into the business community through a close network of elites.

Nevertheless, it is interesting to note that the French State did not decide to act as a role model for the kind of social responsibility it expected of the private sector by introducing similar rights and processes for its direct employees in public administrations. The social responsibility strategy of public administrations in France is still in its infancy, “even if in January 2003 the French prime minister appointed a National Council for Sustainable Development. Drawing on examples of the multistakeholder approach used in other countries, different stakeholder groups are represented on the council, whose role is to advise the government, particularly concerning the national sustainable development strategy.
Given the still prevailing role of the State in the field of CSR, the expectations of the stakeholders to the public authorities continue to be very high. For example, public authorities are expected to organize stakeholder dialogue and structure the NGOs like the State did in the past for the unions, and to define their relationship with these unions. An opportunity would be to build on the national and regional economic and social councils that are consulted by the public authorities on issues linked to business and society. Employers, trade unions, and civil society each occupy one third of the seats on these councils, which may therefore offer a platform for stakeholder dialogue.

**The Ongoing, but Different Importance of Employees**

Although between the mid-1970s and the mid-1980s the French approach to CSR was focused on companies’ practices toward their employees, it is today much broader, including environmental and societal aspects, and is thus closer to the situation in other countries, and particular in the United States. However, employees still play an important role in the French approach to CSR insofar as they are actively involved in the elaboration of company norms in this field and in the evaluation of the social and environmental impact of their company. Whereas codes of conduct in U.S. companies are mostly adopted unilaterally by the top management, the French labor law requires companies to inform and consult with the workers’ representatives. In fact, a French court recently ruled that a corporate code of conduct must be submitted to the French works council for consultation, even if the code has been imposed by the American headquarter of a French subsidiary and if thus the consultation with the French employees will, in fact, have no impact on the text (Decision of the Court of Appeal of Versailles, May 3, 2000; Sobczak, 2002;).

The importance in France of social dialogue with the workers’ representatives in the field of CSR explains the emergence of framework agreements concluded between multinational companies and international sectoral unions in France. The two first framework agreements were signed by Danone (food) and the International Union of Food Workers (IUF) in 1989 (*Plan for Economic and Social Information*, 1989), and by Accor (hotels) and IUF in 1995 (*International Trade Union Agreement*, 1995), before this tool started being used on a broader scale by more than 30 multinationals since 1998, “including U.S. corporations. "These agreements are adopted instead of unilateral codes of conduct and contain the company’s commitment to guarantee the respect of certain fundamental social rights throughout the supply chain (Daugareilh, 1996). Even if from a legal point of view framework agreements are not fundamentally different from unilateral codes of conduct insofar as they cannot be considered as collective agreements in the sense of labor law, the negotiation and the signature by a union reinforce the legitimacy of the agreement (Gabriel & Gabriel, 2004, p. 206). Their main weakness is that they necessarily concentrate on only one aspect of CSR, labor relations, the traditional focus of CSR in France.

Employees may also play an important role in the evaluation process that leads the company to define its CSR strategy, going beyond labor issues. Two interesting examples illustrate the current French CSR approach nicely (although they cannot claim to be representative of French companies as a whole). They stem from two very different companies: Danone, a multinational corporation in the food sector, and the Caisse d’Epargne, a French network of regional banks close to the public sector and that has the statute of a cooperative. Both companies organized selfaudits prepared by cross-functional working groups composed of employees from different sectors, at different levels of management, and with different experiences (Berthoin Antal & Sobczak, 2004). These groups
identified the strong and the weak points of the company and defined strategies for progress. Danone developed a tool called the Danone Way, which is an intranet site to which all companies of the group are connected (Thibaux, 2003). Using this online tool, the working groups are asked to rate their company on a scale from 1 to 4. Even if the 100 questions cover all fields of CSR, Danone considers that employees are a stakeholder group that is the most competent to evaluate the company’s performance. The approach is very similar at the Caisse d’Epargne (David, 2003), with the difference being that the questionnaire sent to the working group was not developed internally but was the one used by the French social rating agency VIGEO, of which the Caisse d’Epargne is a shareholder.

As the scope of CSR has been broadened beyond the realm of employee relations, the privileged role of employees in the evaluation of the social Berthoin Antal, Sobczak / Corporate Social Responsibility 13 and environmental impact of their company cannot remain exclusive. It seems indeed difficult to accept that employees or their representatives should be the only partners for business in a dialogue whose scope has expanded beyond the traditional topic of employee-related issues. The legitimacy and competence of unions is questionable not only with regard to environmental issues but also when it comes to dealing with labor relations in the global supply chain because French unions can hardly pretend to represent the workers in foreign factories of suppliers or subcontractors. Moreover, French unions suffer from a fading membership, and clearly they enjoy less support than NGOs among young citizens and in the media. It is, therefore, not surprising that an increasing number of companies in France (as in other countries) have chosen to create thus partnerships with NGOs to develop and monitor their environmental policies (Nghiem, 2003). For example, as a result of its internal evaluation by its employees, the Caisse d’Epargne noticed that its environmental impact could be improved and decided to launch a partnership with the World Wide Fund for Nature (WWF) that has recognized skills in this field. A distinction must therefore be made between the activity of assessing performance in which employees continue to play a major role and of implementing CSR policies where they share this role with NGOs.

Whether they are home-grown French associations or NGOs integrated in an international network, these new actors are entering the bilateral dialogue between business and trade unions and transforming it into a multi stakeholder dialogue. The arrival of NGOs into the business–society nexus and the expansion of the CSR agenda beyond labor-related issues to include wider social and environmental concerns mark a significant shift in the politics of stakeholder relations in France. It is not surprising to note that the trade unions were initially particularly critical of changes in the business–society nexus that might further undermine their position. The only solution acceptable for them was to add an institutionalized multi-stakeholder dialogue to the already existing bilateral social dialogue, rather than to reform the latter by opening it to new partners; however, this seemed difficult for companies to accept. The position of the trade unions has, however, changed on this point. French trade unions (that have in fact always had a much weaker position and a very low membership compared to other European countries) have begun to recognize the opportunities of creating alliances with more popular NGOs. They understand that even though the social dialogue is based on legitimacy and representativeness and has proven to be efficient, it is much less visible than the actions of NGOs, whose public support is therefore likely to increase. Rather than remaining in a defensive position, some French trade unions, therefore, are currently trying to become more proactive in the field of CSR and to learn from NGOs by creating new forms of cooperation. For example, in November 2003, two large trade union confederations (CGT and CFDT) published the
“Manifesto for the social responsibility of managers” in cooperation with the employers’ association, Centre des Jeunes Dirigeants (CJD), and with NGOs, such as Ingénieurs sans frontières; and in July 2004, three French unions (CGT, CFDT, and CGC), several NGOs and experts launched the Forum Citoyen de la Responsabilité Sociale (Forum Citoyen pour la RSE, 2004) to promote social dialogue about CSR and an independent control of social reports.

**New Dimensions to CSR in France: Transparency and Evaluation**

One of the most important changes in the French approach to CSR certainly concerns the acceptance of transparency, a fundamental principle in the Anglo-Saxon approach to CSR that has been difficult to transpose in the French culture. Today, as in many other countries, transparency is recognized as a key element—if not the primary prerequisite—of CSR. However, external evaluation remains an exception, and there are still obstacles to transparency.

**Social and environmental indicators.** To enable stakeholders to compare the newly available information, a wide range of institutions in France have developed social and environmental indicators that aim to measure companies’ performance beyond the financial bottom line. A first list of indicators has been defined by the government when implementing the 2001 legislation on new economic regulations imposing companies listed on the stock market to integrate social and environmental information in their annual report. The government’s decree of February 20, 2002, contains nine environmental and nine social indicators that differ on several points from the Global Reporting Initiative (GRI) guidelines reflecting thus the influence of national traditions. The social indicators in the French government’s decree are largely inspired by the 1977 legislation on the “bilan social.” Thus it is very detailed and limited to the employment relationship, whereas the GRI also includes human rights issues among the social indicators. Moreover, they are really embedded in the national legal context without taking sufficiently into consideration the international dimension of companies submitted to the reporting. For example, companies must report on the collective agreements they have concluded, whereas no indicator refers to freedom of association, which is an important issue in many developing countries and which is a precondition for concluding collective agreements.

The principle of transparency imposed by the 2001 legislation suffers from several weaknesses. First, the legislation provides for no sanction in the case of nonrespect by a company of the obligation to include social and environmental information in its annual report. This deficiency probably explains why the quantity and quality of information provided by small and medium-sized listed companies remains insufficient (EPE, OREE, & ORSE, 2004, p. 17). Second, the 2001 legislation does not impose an external audit of the social and environmental information. A third weakness is related to the behavior of stakeholders in France: They seem still to be under the influence of traditions and have not yet learned how to make sufficient use of the information published in the annual reports (EPE, OREE, & ORSE, 2004, p. 65).

Two French employer’s associations have also established their own list of indicators in the field of CSR. In 1996, the Centre des jeunes dirigeants de l’économie sociale (CJDES), an organization representing employers of the social economy sector, created the “bilan sociétal,” which aims to measure a company’s economic performance, and its social and environmental impact. The company is supposed to create stakeholder groups that have to evaluate it using up to 450 indicators covering nine different fields, such as customer relations, work organization, or environment. More recently,
the CJD (Centre of young owner-managers) that promotes the concept of global performance reconciling social, environmental, and economic performance introduced an original approach: It published a guide in the form of a diary written by a fictitious manager who is confronted with an economic crisis and then discovers the importance of taking into account other criteria beyond the obvious financial ones (Centre des Jeunes Dirigeants [CJD], 2004). In each chapter, the book deals with the relations of a particular stakeholder group and summarizes the main questions relating to this group, which could be used as a list of indicators for a self-audit by the manager. In 2005, the CJD proposed that business school students use the list of questions developed in the guide to evaluate companies managed by its members.

New actors in CSR in France: Rating agencies. Yet another change in the business-society nexus in France is the arrival of social rating agencies. The first social rating agency in France, ARESE, was created in 1997. It was essentially modeled after Anglo-Saxon organizations; however, in 2002 its founder decided to create a new agency, CORE RATINGS, according to similar principles, while ARESE was transformed into VIGEO. It is significant to note that VIGEO was headed by one of the most prominent ex-trade union leaders, Nicole Notat, and it developed a strategy deeply influenced by the French context. The difference between the two strategies is particularly obvious in the field of company-solicited rating (Zarlowski, 2004). Whereas CORE RATINGS considers that, to guarantee the credibility of this kind of rating, it has to cover the company as a whole including all its subsidiaries and activities and the results must be made public, VIGEO proposes company-solicited ratings on parts of the company or on particular issues without making the rating public. VIGEO’s approach fits better with French traditions, and appears to be more successful, because in May 2004, CORE RATINGS had to merge with another small rating agency, BMJ, whose model is close to the one used by VIGEO.

The debate about social rating agencies seems to have generated more controversy in France than elsewhere, particularly because of the choice of VIGEO’s director from the ranks of trade unions. It shows the importance that labor aspects retain in the field of CSR, and may actually reinforce this situation, despite the fact that the criteria used by the agency cover a much broader range of topics. The methodology used by the rating agency is similar to that used by rating organizations in other countries; however, it is facing particularly harsh criticism in France. Academics pointed out that the agency cannot claim to be providing independent ratings because companies pay for the service. Furthermore, French academics point out that the development of reliable measures is not just a matter of quantifying different and potentially contradictory aspects of corporate performance. The problem is deeper because in fact “the obsession with numbers all too often masks our inability to capture a complex reality that is beyond us” (Castelnau, 2003, p. 9, our translation). VIGEO bases its assessments on multiple dimensions of performance, drawing on data from company publications, direct contacts with managers in the company, and contacts with different stakeholders. However, there is no direct control over the quality of the data from these various sources. Therefore, the societal rating is based on incomplete and often biased information; it is subjected to a multiplicity of criteria that are often contradictory (the closure of a polluting site is positively rated for the local environment and negatively rated for employment); the overall rating that results therefore contains underlying choices made by the agencies (Quairel, 2003).
What Can Be Learned From CSR in France?

Endogenous and exogenous factors of change have tended to reduce the difference between the traditional French CSR approach and the discourse and practices in other countries of the world. Nevertheless, they are not sufficient to eliminate the French traditions and to impose the Anglo-American approach. In other words, the current CSR approach in France can be qualified as a mix of national traditions and factors of change that are common to many other industrialized democracies.

Thanks to endogenous and exogenous factors, French actors have thus clearly learnt from international theories and practices to adapt their traditional discourse and practice in the field of CSR. The question is whether, and to what extent, actors from other countries may in turn learn from the French experiences, while recognizing that the latter are fostered by a particular historical, cultural, and socioeconomic context and factors of change.

Two main features of the French experience in the field of CSR seem to be particularly interesting for actors in other countries. First, the French example highlights the role of the State in these fields. In contrast to other national contexts, where CSR activities are considered as exclusively private initiatives clearly separate from any intervention of public actors, the French State has played a central role in the traditional practices, and in the process of changing these practices, be it by legislation or by more informal forms of influence, such as in the case of the Global Compact. In France, this role of the State was particularly important because it gave legitimacy to the concept of CSR and corporate citizenship, and it also contributed to mainstream CSR practices to a certain extent among French companies. It could thus be interesting for stakeholders and academics in other countries to analyze whether and how the involvement of public authorities could be helpful to improve the practices of the companies in their particular context.

A second example for a learning opportunity based on the French experience is linked to the special focus on the internal dimension and on labor issues in the French CSR discourse and practices. The examples of Danone and Caisse d’Epargne seem particularly interesting for companies in other countries insofar as employee involvement in the evaluation process may reinforce legitimacy and credibility of corporate social responsibility and corporate citizenship initiatives. Such employee involvement also has the potential to embed these initiatives in the day-to-day operations and decision making procedures that employees conduct, thereby having a higher impact than is likely to result from top-down approaches or even partnerships with external stakeholders that are more frequent in the Anglo-Saxon context.

The focus on labor issues in France may also constitute an opportunity to analyze whether and to what extent companies and stakeholders could learn from the traditional ways of regulating labor relations to make progress in the field of CSR in terms of the tools used and the ways norms are drafted, adopted, monitored, and applied. Framework agreements negotiated with international trade unions, a practice in which French companies have been pioneers, could be one example in this field that has already been used by companies from other countries, mainly in Europe.

Having established that it is worth trying to learn from French experiences, the main challenge consists in finding ways to stimulate such cross-border learning more effectively than has been the case so far. The generation and sharing of knowledge is a key function of researchers; however, responsibility for this kind of learning must be borne by all the actors playing a role in CSR, including...
representatives of employers and employees, NGOs, market analysts, public authorities at different levels, and supranational organizations. Exchanges within the same category of actors are one way of sharing experiences and stimulating learning, and platforms bringing together different categories of actors, such as the Multi stakeholder Forum organized by the European Commission (European Multi stakeholder Forum on CSR, 2004) are another. If academics want to contribute meaningfully to these learning processes, changes will be needed. More foreign researchers must tap into the French experience than has been the case so far, and the French research community must make far greater efforts to publish internationally. The top business schools in France have now recognized the importance of having their faculty publish internationally and have put incentives and pressures in place to stimulate them to do so. However, an additional hurdle remains: French companies do not have a tradition of participating in management research projects (Venard, 2001, p. 35). They are not accustomed to opening the doors to researchers to study and write about issues such as CSR. French researchers will need to expand their networks into organizations and show how they can generate valuable insights and, by working with practitioners in organizations, stimulate learning and improve practices.

References


Plan for economic and social information in companies of the BSN Group concluded between Danone (former BSN) and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’Associations. (1989, September). Paris


Notes

i It is worth noting that of this 1%, one half the contributions came from authors based at the international business school Institut Européan d’Administration des Affaires (INSEAD). Engwall (1998) observed that INSEAD, “although physically in France, must be regarded as an essentially international institution with a majority of non-French nationals and holders of American doctoral degrees” (p. 869).

ii The understanding of the concept of corporate social responsibility (CSR) has not remained static in the Anglo-Saxon context either. For a review of how the meaning has developed since its origins, see for example Carroll (1999).

iii This is also true of the meaning of social in other European countries such as Germany, Belgium, Italy, and Spain. See Berthoin Antal and Sobczak (2005).


v The organization of young owner-managers, the Centre des Jeunes Dirigeants (CJD), has been a significant voice in business–society relations in France. See, for example, Thierry (1999).

vi Skeptical voices exist also in the Anglo-Saxon world, of course: “there is so often little real substance to what some firms claim to do. The amount spent touting a firm’s CSR achievements is sometimes more than the amount spent on the CSR activity itself” (Smith, 2003, p. 65). And others question “the legitimacy of substantive corporate involvement in social issues—‘Do we want corporations playing God?’” (p. 65).

vii Article 116 of the Law on New Economic Regulations (2001). Note that this law does not supersede the 1977 law, whose requirements must still be fulfilled.

viii By February 2006, this number had grown to 433. By comparison, the number of companies that had signed up for the Global Compact was 64 in the United States, 51 in the U.K. companies, and 33 in Germany (as of February 2005). In Spain, like France, the growth in membership has been significant, with 146 companies having signed in 2002 and 368 in September 2006. Numbers are available on the Global Compact’s Web site: www.unglobalcompact.org).

ix A first example is the Law Promoting the Respect of Children’s Rights of June 9, 1999 that allows public authorities to include social criteria when publishing public tenders for the purchasing of school materials.

x A list of framework agreements can be downloaded at: www.icftu.org/displaydocument.asp?Index=991216332&Language=EN

xi Chiquita concluded a framework agreement with the International Union of Workers in the Food Industry in 2001.

xii See the company’s Web site, which includes an English translation: www.vigeo.com
Although it is possible that the intensity of the criticism of rating agencies may be related to the traditional French skepticism toward transparency, it is more likely in this case to be the outcome of the professional skepticism of researchers.

A list of framework agreements can be downloaded at: www.icftu.org/displaydocument.asp?Index=991216332&Language=EN