

Actual Examples of Entrepreneurial Social Responsibility (ESR) within the Labour Environment

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Sweden is a world leader in the corporate social responsibility field (CSR), according to the influential Accountability report (1). In an interview with the Swedish Institute (*Instituto Sueco*)(2), Dr. Simon Zadek, CEO (chief executive officer) of that organization, explained that the Swedish way of doing responsible business causes a favourable impression since CSR has been adopted by the Swedish companies, starting by the textile industries up to the heavy industries. Or, to put it differently, the Swedish people know how to do business without losing sight, at the same time, of the climatic change, gender issues, human rights and anti-corruption policies.

We, at the Swedish-Argentine Chamber of Commerce, believe that a responsible corporate conduct helps in the achievement of legitimacy for entrepreneurial activities and also contributes to banish scepticism from market economies thus generating a positive impact in society. CSR plays a decisive role when it comes to management decisions and entrepreneurial resources with socially beneficial purposes since the action it promotes improves human, economic and environmental surroundings.

According to different authors, entrepreneurial or corporate social responsibility is simultaneously an essential interplay rule and a corporate management model.

Matching Social Inclusion and Competition

According to Zadek, who is considered one of the architects of the movement in favour of CSR: “There is no reason for a conflict between social promotion and competition and Sweden is a magnificent example of that”. Half a century of social and economic development has resulted in a compact society within which the Swedish entrepreneurial community is deeply-rooted through the ethical commitment and sustainable development practices that Sweden exports when doing business in other parts of world, such as Argentina.

The Swedish-Argentine Chamber of Commerce shares this philosophy and has worked with its affiliate companies in the promotion of this manner of doing business, both for those who endorse a Code of Conduct as an essential acceptance requirement and for those members of the complete chain of values abiding among the industrial sectors.



In this report we will focus our attention on the Promotion of Formal or Regular Employment, an initiative that has always accompanied similar efforts of the national (3), provincial, municipal (4) and ILO (5) authorities. Meetings and joint programs, such as CFOs breakfasts, to which Dr. Carlos Tomada, Labour Ministry has assisted, are actively promoted.

Competitive Strength and Fair Development

The Corporate Social Responsibility, considered as an additional dimension which the head management, together with the state or corporate management must seek, places Swedish companies in an avant-garde position within fair competition, generating social and economic values for all the workers and families who form part of the Swedish business space in Argentina. Personnel training and conciliation between work and family are promoted bearing in mind the community and labour quality of life, employees' health, equality and diversity. All these benefits clearly distinguish the Swedish companies within the markets in which they operate and are accompanied by very positive consequences such as improvement in labour climate, collaborators who are motivated and satisfied, transfer of avant-garde practices.

Insofar as more companies adopt transparent CSR policies together with the efforts of companies, civil society organizations and official agencies, this positive impact will grow.

The Controller's Successful Experience Within a Complete Chain of Value.

At the beginning of 2007 one of our associates, leader in the technology field, launched the Revision Program of Contractor Companies (*Programa de Revisión de Empresas Contratistas*), based on the "broad" current regarding labour matters that regard the company as a "whole unit" that cannot be divided, beyond the activities that are sub-contracted to third parties in order to optimize processes and that consider the entrepreneur as responsible party "in-solidum" with contractors and sub-contractors in respect of labour and security obligations, since everybody contributes to the attainment of the final result.

At that time the companies that had a formally established control procedure on their contractors' and sub-contractors' services, regarding labour and social welfare obligations (and that carried same out effectively) were few. The Company's strategic decision implied a labour and joint effort commitment by several of its staff members - including head management - with a common goal in view:



to establish a permanent effective control procedure on their contractors and subcontractors labour and social welfare obligations which would enable a risk reduction, by anticipating events; even more so, at times of crisis when company income decreases and the level of non-fulfillment with labour and social welfare obligations increases.

Thus, they found that the sectors which were most involved were the Purchasing department, especially in the classification and control direction of suppliers; the legal consultancy sector, where work was directed towards adapting the contracts which were in force, with the object of generating the legal tools necessary for control purposes and the sector in charge of projects implementation, with which daily follow-up of the delivery of documents by the companies was carried out. Thus, with the contribution of a monthly recurrent control system it was possible for the company to achieve a present level of fulfillment in the delivery of documents by contractors and subcontractors which was near to 100% (a figure which is extremely successful, bearing in mind that this is a control which is being applied to a monthly average of 50 enterprises.).

The fact of considering the controls applied on the companies with which services are contracted or subcontracted simply as “costs”, instead of considering them as “investments” which will apply direct or indirectly, within the company itself as well as the community in general, is to regard the society just as a set of resources which can generate profits, overlooking the social assets which are also a part thereof.

At present people are regarded as the pillars of companies, an effective management of same within an organization involves multiple activities directed at achieving wellbeing regarding different aspects. The basic starting point would appear as evident: to guarantee registered labour and, starting therefrom, the correct fulfillment of labour and social welfare obligations. That, not only regarding own headcount, but also whatever personnel is contracted through other companies, self-generating awareness and impelling voluntary actions in that direction.



The Experience of the Greatest Swedish Employer in Argentina

A leading organization in its type of industry has long-range responsibilities towards the countries and communities where it operates and both ethics and values play a prominent role upon its activities.

The Company employs more than 10.000 people in Argentina, 100% of them legally registered in their headcount (*"en blanco"*), with all the corresponding contributions abiding by present laws ruling in the country. One has to calculate that each family has at least four members, which entails a total of over 40.000 persons covered by the benefits. As a result thereof, employees are more satisfied, committed and willing to render better services. This also contributes to improvements in the industry and avoiding problems to customers, since they are responsible in-soludum in the event of conflicts with employees.

Apart from abiding by the law and through their programs of Corporate Social Responsibility (CSR), it actively works with commercial organizations, sector chambers, labour unions and public authorities. It forms part of the CSR of the Labour Ministry network, Social Employment and Security and collaborates in the promotion of Decent Work (*Trabajo Decente*) of the International Labour Organization (ILO) and the program of Youth with Future (*Jovenes con Futuro*).

The Entrepreneurial Social Responsibility promotes actions that improve social, economic and environmental surroundings, thinking about the community and labour quality of life. The purpose is not only to create more and better jobs with a decrease in informal labour "unregistered labour" (*trabajo "en negro"*), but also to fight against child labour, promote jobs for youth and labour training.

Decent Work, according to the International Labour Organization, implies "access to employment in freedom and with recognition of the basic labour rights, that guarantee that no harassment occurs, that an income is received allowing to cover basic, economic, social and family needs and responsibilities, and that a social protection is achieved for male and female workers and members of their family".

Youth constitutes one of the groups with greater difficulties to gain access to decent job opportunities and the probability of being jobless is twice greater than that of adults. For that reason, the program of Youth with Future points towards labour insertion of 18 to 24-year-old participants and promotes improvement in their employment possibilities through the development of qualified labour practices, stimuli upon ending basic education and credit to the competence acquired. The Company commitment is to have a tutorial system and contribute human, institutional and financial resources.



Notes y references:

1.- Accountability. International non-profit organization dedicated to the promotion of sustainable development (<http://www.accountability.org/>).

2.- Swedish Institute (*Instituto Sueco*). Report upon the Swedish manner of carrying out responsible business (<http://www.si.se/Espanol/>).

3.- Ministry of Labour. Coordination of Entrepreneurial Social Responsibility. Ministerial policies point towards improving the quality of employment generating alliances between Universities, Companies and the State counting on training, work and production. For that purpose the Coordination of Social Responsibility and Decent Work institute (*Coordinación de Responsabilidad Social y Trabajo Decente*) is created, and this goes transversally through the programs of different areas of the organization and supports national debate, joint initiatives with companies, the government and social organizations and the exchange of knowledge.
See: <http://www.trabajo.gob.ar/responsabilidad/>.

4.- Government of the City of Buenos Aires (*Gobierno de la Ciudad de Buenos Aires*) Entrepreneurial Social Responsibility (*Responsabilidad Social Empresaria (RSE)*) is a program of the General Direction of the Civil Society Strengthening (*Dirección General de Fortalecimiento de la Sociedad Civil*) of the Ministry of Social Development (*Ministerio de Desarrollo Social*), whose main object is to create and consolidate a space to connect companies and/or organizations that form part of same, the Government areas that work with social issues and the Civil Society organizations (*Organizaciones de la Sociedad Civil (OSCs)*), through the development of channels that contribute to mutual cooperation.
See: http://www.buenosaires.gov.ar/areas/des_social/fortal_soc_civil/empresaria.php

5.- International Labour Organization (ILO) (*Organización Internacional del Trabajo (OIT)*). Decent Work for Everyone.
See: http://www.ilo.org/global/About_the_ILO/Mainpillars/WhatisDecentWork/lang-es/index.htm