EABIS – THE ACADEMY OF BUSINESS IN SOCIETY POSITION PAPER:

THE EUROPEAN UNION’S COMMON STRATEGIC FRAMEWORK FOR FUTURE RESEARCH AND INNOVATION FUNDING

Written response to the public consultation on the European Commission Green Paper: “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding”

Brussels, 20 May 2011

EABIS – The Academy of Business in Society is a unique global alliance of companies, business schools and research institutions, committed to integrating corporate social responsibility (CSR) and sustainable development issues into the heart of management theory and practice. EABIS currently has over 120 institutional members situated on all five continents, and an established reputation for collaborative thought leadership on the changing role and responsibilities of business in society.

EABIS traces its roots back to 2001, when its five Corporate Founding Partners – IBM, Johnson & Johnson, Microsoft, Shell and Unilever – challenged several leading European business schools to integrate corporate responsibility and sustainability issues in their management education programmes.

The Academy was a direct result of those discussions, and was launched at INSEAD Business School in July 2002 with the support of the European Commission and CSR Europe. Since its launch, EABIS has delivered 40+ CSR and sustainability-based research and education projects funded by its corporate network and other sources, include the EU’s FP6, FP7 and PROGRESS programmes.

As a consequence, EABIS welcomes the opportunity to comment on the Green Paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding”. The views we are presenting are those of EABIS, a wide number of our member institutions, and other research stakeholders.

We wish in particular to reflect on the forward-looking priorities for EU research and innovation that will help business, government and society better pursue the “smart, sustainable and inclusive” objectives of the Europe 2020 strategy and tackle the economic, environmental, social, governance and ecological challenges that Europe and the world are facing. Globally speaking, we refer to this as the business in society agenda. It is our long-standing belief that its issues are of specific and critical relevance to the socio-economic and humanities (SSH) domain of EU research.

CONTEXT

The following document has been prepared in support of the European Commission public consultation on its Green Paper: “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding”. It will seek to underline the importance and relevance of SSH research to European policy interests and goals, and to explore new and emerging
business in society priorities that may be addressed within the new Common Strategic Framework (CSF).

This consultation takes place at a pivotal moment. The time has already arrived for a European, if not global debate on the redefinition of the role of business in society and the purpose of the firm. It is clear that the current financial and economic crisis has brought the global economy to an historic crossroads, and that doing business in the future might be framed within a very different paradigm. Innovative, non-traditional business-stakeholder partnerships and “uneasy alliances” will be required to drive sustainable growth and equitable outcomes and to (re)establish trust in the economic system and in its key players.

Against this backdrop, the European research community has a critical role to play in providing new knowledge, insights and theoretical frameworks to those charged with leading this transformative process. There is a greater need than ever for more and better collaborative knowledge and leadership development on business, society and governance. Together, Europe’s leading academic institutions and research stakeholders have a major opportunity to develop a deeper understanding of events and assist in finding solutions to the complex challenges ahead.

As Europe’s reference network for corporate-academic partnership in business in society research, EABIS – The Academy of Business in Society is ideally positioned to contribute to this agenda going forward. In particular this stems from the accumulated knowledge and insights developed under the EU’s 6th and 7th Framework Programmes for Research.

IDENTIFYING A PRE-CRISIS EU RESEARCH AGENDA

Between 2004 and 2008, under EABIS’ coordination, thirteen of Europe’s leading business schools and sustainability network organisations shaped and delivered the European Platform for Excellence in CSR Research (a.k.a. the “CSR Platform Project”). This initiative was the EU’s first ever investment to map European research activity on corporate responsibility (CR) and the changing role of business in society. In terms of scope and complexity, it remains a globally unique undertaking.

What is remarkable about the CSR Platform is that its conclusions and findings remain so relevant to the current consultation – having been formulated before the financial crisis took place. We argue that the 11 research themes identified as emerging business and stakeholder priorities remain critical for the Common Strategic Framework going forward. As Europe redefines its role in a post-crisis world, they provide a potential signpost for European SSH research policy and a focus for its outstanding scholarship.

In brief, the recommendations identify a research agenda and priority research areas, provide concrete proposals for the continued and improved exchange of knowledge across the ERA, as well as set out new models of knowledge development and engagement between research centres, businesses and other stakeholders. This is focused on – but not limited to – business in society research. Rather, we feel it applies to much of the European SSH field itself.

Among the clearest messages to emerge from the CSR Platform was that future research must pay less attention to instruments and processes, but rather be positioned and integrated as part of a broader view on new global governance paradigms, collaborative responses to global issues, and the implications for organisational change. These overarching points were underlined in the thematic research agenda that gradually evolved during the Platform Project.

On the basis of almost four years of multi-stakeholder dialogue, analysis of existing research, and an understanding of emerging challenges, the consortium recommended that the following ELEVEN
thematic areas should be prioritised in future research across the Social Sciences & Humanities on CSR and the changing role of business in society:

- GOVERNANCE
- COLLABORATION, PARTNERSHIPS, CLUSTERS AND ALLIANCES
- DEVELOPING AND EMERGING ECONOMIES AND SOCIETIES
- DIVERSITY AND EXCELLENCE IN CSR ACROSS THE ERA
- COMPETITIVENESS AND CSR
- PRACTICES FOR CHANGE INSIDE COMPANIES
- STRATEGY AND CORPORATE GOVERNANCE FOR EMBEDDING RESPONSIBILITY IN BUSINESS
- MANAGERIAL SKILLS AND ORGANISATIONAL COMPETENCES
- SECTOR-SPECIFIC AND IMPLEMENTATION STUDIES
- CSR AND INTEGRATION IN SMES
- CSR AND SUSTAINABILITY

In subsequent consultations with scholars and research stakeholders — in particular the DG RTD conference in April 2010 (“Towards the Changing Role of Business in Society”), this list has been revised and expanded to include the following:

- NEW PARADIGMS AND SYSTEMS OF CORPORATE GOVERNANCE
- MULTI-STAKEHOLDER GOVERNANCE AND PROCESSES FOR BUSINESS-GOVERNMENT RELATIONS
- GLOBAL BLUEPRINT SCENARIOS BY INDUSTRY SECTOR
- TRANSPARENCY, DISCLOSURE AND REPORTING
- COMPARATIVE ANALYSIS & BETTER INTEGRATION OF GLOBAL (CR) STANDARDS AND PROTOCOLS
- GLOBAL DIMENSIONS OF RESEARCH & KNOWLEDGE DEVELOPMENT
- ORGANISATIONAL BEHAVIOUR AND INTERNAL CHANGE PROCESSES FOR SUSTAINABLE DEVELOPMENT
- BUSINESS AND HUMAN RIGHTS
On all of these themes, a transdisciplinary, collaborative SSH approach is ideal for generating new knowledge with equal relevance to European policy, business and civil society interests.

RELEVANCE TO THE COMMON STRATEGIC FRAMEWORK

The Common Strategic Framework provides a window of opportunity for the European Commission to deliver the conditions for ‘more and better-connected knowledge’ and connections between European research centres and disciplines, between research and practice and between research and education. This approach is in itself at the heart of innovation: a disruption of the orthodox and traditional methods and pathways in pursuit of new and visionary outcomes and knowledge.

For European SSH research to provide outcomes that tangibly support the fulfilment of EU2020 objectives, there is an ongoing need to:

- Strengthen the exchange of SSH research outputs and knowledge across the ERA.
- Promote new and innovative practices in SSH research and in the relationship between researchers and their host institutions, on the one side, and their partners in knowledge development and its dissemination, on the other. This will involve particular attention to the quality and relevance of research and the manner in which it is disseminated.
- Give high priority to the establishment of a series of ‘SSH learning laboratories’ or ‘incubators’ linked to Universities and/or Business Schools that provide for intense contact between researchers and managers, and develop new foundations for longer term collaborative relationships to bridge academic research and societal needs.
- Focus these ‘learning laboratories’ on collaborative SSH research – seen as research that draws on a number of disciplines and that connects with political, societal and/or managerial concerns. Developed through close interaction between researchers and key stakeholders in its outcome, this research is seen as leading to results and findings that combine scientific rigour and relevance.
- Support young researchers in SSH to better trained in ‘collaborative research’ (with its openess to policy objectives, company practices and stakeholder interests) through EU programmes and reward systems that provide suitable opportunity and incentives.

A NEW CHALLENGE FOR A SMART, SUSTAINABLE & INCLUSIVE EUROPE

In order to achieve these goals, we recommend to the EU that the CSF includes a sustainability-oriented challenge, dedicated to the SSH domain within the ERA, that focuses not only on European societies and their institutional actors – especially business – but also on the emergent role and responsibilities of the EU in a volatile global political & economic environment.

This directly implies a greater research focus at the level of open and complex systems – an opportunity for the EU to incentivize and promote a huge leap forward in partnership between the SSH community and other scientists in fields as diverse as engineering, design, architecture and mathematics.

It also recognizes the necessity of SSH-supported research focusing on explicit targets of the EU2020 Strategy – towards “Understanding Europe in a global context – transitions towards smart,
**sustainable and inclusive markets and societies**. For the full implementation of the challenge to 2020, we estimate that a minimum of €5 billion will be necessary.

The essential pillars of such a challenge could resemble the following:

I. **Building Sustainable Societies** (Enabling Technologies; Health decision-making; Urban sustainability; Ageing & demographics; Diversity & migration; Overcoming inequality)

II. **Building Sustainable Markets** (Sector standards; Smart & sustainable growth; Public, financial & corporate governance; New models for sustainable enterprise and globalisation; Entrepreneurship & social innovation)

III. **Europe in the World** (Global governance; Trade & development; Human rights & global standards; Capacity building in emerging & developing countries)

IV. **Skills & Education in A Modern Europe** (Intergenerational equity; Innovative educational systems and methods; Organisational leadership; Managing global trends & sustainability challenges; Values & ethics)

V. **Horizontal activities** (Foresight & scenarios – with a particular focus on leveraging corporate expertise in this area; Indicators; International networks; Infrastructure; Capacities)

**ADDRESSING THE BUSINESS IN SOCIETY AGENDA THROUGH SSH RESEARCH**

To achieve the objectives stated above, we recommend that European Union also places significant emphasis on the business in society agenda within this challenge. Business is the primary driver of economic development, competitiveness and quality of jobs, and as such deserves a proportional focus / representation within the broader CSF.

We therefore invite the EU to endorse a wide range of research, innovation and stakeholder engagement initiatives, both at European level and with regions and Member States, that prioritise the three following concepts:

1. **Enterprise Evolution**: Supporting the transformation of all European companies towards their chosen model of responsible and sustainable enterprise.

2. **Holistic Policy Innovation**: Innovative public policies are essential to enable entire markets to realign profitably towards smart, sustainable and inclusive outcomes. To do so, the EU and Member States have a key role to play in facilitating the next generation of business-government-society partnerships to identify, design and progress such innovations.

3. **Global Sustainable Growth**: Catalyzing Europe along a sustainable growth pathway, driven by enterprise and policy innovation. This requires effective coordination and collaboration with peer institutions in other regions and the ability to measure and predict the impact of those innovations on micro, meso and macro levels, specifically in terms of social, environmental and economic dynamics.

On this last point, we offer the graphic below to outline the “big picture” framework of sustainable enterprise as the EU contribution to sustainable globalization:
CSR → SUSTAINABLE ENTERPRISE

REQUIRES:

EXTERNAL GOVERNANCE ENVIRONMENT

➢ Industry Governance – Rules & Standards
➢ Sector Platforms – Multistakeholder Dialogue & Partnerships
➢ CSR Regulatory Frameworks

INTERNAL FIRM CAPABILITY

➢ Strategy
➢ Organisation
➢ Change
➢ Measure & Manage
➢ Facilitate Personal Growth
➢ Impact
➢ Public Policy Engagement

EUROPE’S CONTRIBUTION TO SUSTAINABLE GLOBALISATION