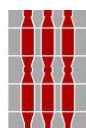


Interregional report

Regional Policies for Responsible Development:
Evaluation of CSR and Economic Performance
in the MED Area

REGIONE
TOSCANA



Regione Umbria



La Cambra
Cambra de Comerç
de Terrassa



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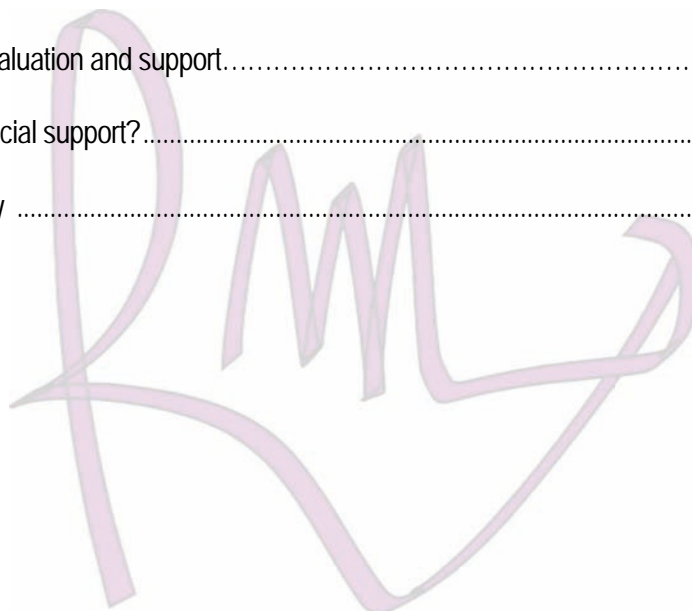
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0. Executive Summary

Responsible Med is one of the Med programme's projects. It aims at better understanding CSR among Mediterranean SMEs, especially as far as the consequences of CSR projects on competitiveness are concerned, and with the final goal to better support such SMEs in the development and implementation of such CSR projects.

In this document, you will find the final output of the Work package 3 (WP3). Nine partners from six countries of the European Mediterranean region conducted in-depth « State of the art » and « State of Practice » reviews in their different regions, which resulted in eight regional documents¹ and an interregional report.

In this interregional report, three main topics are covered:

- *The Methodology of the study*²: this part aims at better explaining the conditions in which the data has been collected, in order to construct bias hypotheses;
- *The Academic comparative study*: based on the eight regional documents, a comparative academic study has been carried out, its results can be read in chapter 4;
- *The Results of the quantitative studies*: based on questionnaires, which had been administered to 171 companies and 32 organisations, the project leader of WP3 (the Chamber of Commerce and Industry of Marseille Provence) proposed to extract the main facts and analyses of the quantitative comparisons³.

Based on those results, conclusions and recommendations have been conducted in a very practical manner – as the next step of the Responsible Med project is to imagine, build and develop tools to support SMEs in their implementation of CSR projects – and to measure their efficiency on competitiveness.

¹ See References for the list of the regional reports.

² See Chapter 3 of the present interregional report.

³ See Chapters 5 and 6 of the present interregional report.

A deeper analysis conducted in chapters 7 and 8 of the study summarizes the main conclusions and provides insights into the next step of the study. The following findings are already worth noticing:

- Neither companies nor organisations systematic take care of measuring the impact of the CSR projects they implement, fund or support;
- Most of Mediterranean SMEs do not see the impact of CSR projects in terms of innovation, R&D or access to new markets;
- If money is always an issue, lack of expertise and lack of time are key barriers to the further development of CSR projects;
- SMEs do not feel supported by their stakeholders, not even by their employees sometimes;
- Companies are in demand of efficient networking.



1. Introduction

1.1. What is Corporate Social Responsibility?

The European Union (EU) defines Corporate Social Responsibility (CSR) as a concept whereby companies integrate social and environmental concerns in business operations and in interaction with stakeholders on a voluntary basis.

The notion of Corporate Social Responsibility is sometimes specific to a given language. For instance, in English, sustainable development is a part of CSR. This approach is different in French, where people use both the terminologies “sustainable development” (“développement durable”) and “Corporate Social Responsibility” (“Responsabilité Sociale des Entreprises”) to talk about CSR. In French, CSR is considered as the implementation of sustainable development inside businesses. In practice, however, people think most of the time of sustainable development as the environmental part of CSR; when they use the acronym CSR, they usually link it to the social aspect of CSR.

In our study, we stayed very close to the EU definition, which is a derivative of the English definition.

1.2. Why did the nine partners decide to work on Responsible Med?

Nine partners from six countries decided to join forces in order to conduct a common study on Corporate Social Responsibility policies and practices in a few Mediterranean Member States of the European Union. They represent two thirds of the eligible Mediterranean area called MED.

The MED region is quite distinctive in the EU in that its economic environment is especially focussed on Small and Medium Enterprises (SMEs) compared to other countries in the EU. SMEs in the MED area have also suffered from aggressive market dynamics leading to crises in traditional sectors for which CSR can represent a competitive advantage compared to emerging markets.

A number of studies have been conducted in Europe and elsewhere on CSR policies and on their impact at a global level or more specifically inside multinational groups. The diversity of situations made the study of CSR among SMEs much more difficult to conduct and, therefore, there is little data available on the topic, and even fewer comparing SMEs and their CSR practices on a transnational scale.

There is also a general belief that SMEs do less CSR than their multinational peers, or that they are unaware that they have in fact already implemented CSR practices. This belief is supported by the fact that SMEs tend not to report and even not to measure the impact of the CSR projects they conduct – in contrast with their bigger counterparts. In such countries as France for instance, big firms have the obligation to report on their environmental and social impacts. There is no European country where such reporting is mandatory for SMEs.

The EU defines CSR as a concept whereby companies integrate social and environmental concerns in business operations and in interaction with stakeholders on a voluntary basis. There are two sides to this project:

- acquire knowledge of the policies and practices of SMEs in this specific region;
- acquire knowledge of the extent to which they are supported in conducting such policies and practices.

Since the 2002 EC Green Paper on CSR, the role of CSR in economic development and competitiveness has been examined with particular scrutiny. The Lisbon Strategy states that CSR contributes to sustainable development, innovation and competitiveness. Supporting competitiveness among SMEs through CSR is therefore in line with the Lisbon Strategy.

Academic research⁴ suggests that links exist but that they are difficult to measure, especially at the SME level, with a systematic and comparable methodology among different players in different countries.

The nine partners decided to collaborate in order to collect sufficient data in the different geographical areas they cover. They aim to make comparisons possible and see where and how a significant link between CSR projects and competitiveness among MED SMEs manifest itself. Moreover, they aim at analysing the best kind of support that can be provided to SMEs in the MED region in order to make them choose and conduct meaningful CSR projects.

⁴ The next part (Chapter IV) on Academic Research will give more details on that part.

The knowledge sharing experience will take several forms:

- interactive workshops;
- study visits;
- exchange of local state of the art and state of the practice;
- exchange of empirical quantitative and qualitative data;
- stakeholder involvement.

The nine partners have already had the opportunity of working together and want to continue on the same track, as they found the previous studies they led together quite useful. This international cooperation makes their knowledge richer and allows them to yield a broader impact through their actions. They therefore want to improve uptake of CSR in MED SMEs through awareness and proof of the concrete impact of CSR actions and policy in terms of competitiveness and innovation.

They are also convinced that they cannot address the global challenges of CSR alone (cohesion, social inclusion, organisational governance, innovation, product traceability, environment and human rights). They are however sure that they will do a better job together by better linking CSR projects and economic strategies. Their complementary experiences – from academic research to hands-on support – will help them to complete this ambitious project.

2. Objectives

2.1. Objectives of the Responsible Med project

Responsible Med is a two-year European project, running from July 2010 to June 2012, and co-funded by the MED Programme for territorial cooperation.

The goal of this project is to develop an evaluation tool for SMEs to measure and verify the economic impact of CSR approaches in their business. Thus, SMEs will be able to manage their CSR projects according to their economic strategies. This tool will also help public authorities measure that their CSR policies promote company competitiveness.

2.2. Objectives of the interregional report (Work Package 3)

There are two kinds of objectives in the study:

- to gain knowledge on CSR and SMEs;
- to create actionable tools to help SMEs measure and develop their CSR practices, in order to help them see to what extent their CSR projects bring them competitiveness and the opportunity to be more efficient in the future.

2.2.1. To Gain Knowledge

A comparative study is helpful to understand what works today in terms of CSR for SMEs and what can be improved. The economic and regional specificities will be taken into account in the study:

- to deepen the link between CSR projects and competitiveness;
- to deepen their understanding of that link through measure and evaluation.

The study should also help organisations to better support companies by addressing their true issues and to understand what kind of support is likely to initiate impactful CSR projects. Contributing to implementing action plans and exchanging good practices among partners (which are all organisations involved in supporting or counselling SMEs on CSR issues) are also a goal of the study.

Moreover, the study is a way to initiate dialogue among stakeholders at the following two levels:

- at the regional level : the partners will initiate dialogue with local actors, making them more aware of what currently exists to support them or of how they can help other actors to implement CSR practices. The different actions led by the partners could also enable other local stakeholders to make their needs and interests known to the local companies and organisations.
- at the interregional level : the partners will exchange with each other as part of an additional stakeholders' dialogue, which could lead to future CSR projects addressing common interests.

Eventually, the study aims to determine whether some SMEs involved in CSR or completing numerous CSR projects are more competitive than SMEs conducting no or less CSR projects.

2.2.2 To Create a Methodology with Tools

The project aims at building a common methodology to help SMEs monitor and evaluate the impact on their competitiveness of the CSR practices they implement.

A more advanced knowledge of how CSR policies and practices can be categorised, as well as a deeper understanding of how SMEs currently measure the impact of their CSR projects should help the nine partners develop a powerful methodology actionable in any MED country. A pilot project among twelve SMEs should take place at the end of the study, whereby these players will try the designed methodology to evaluate their CSR projects. Based on the results, the methodology would be refined to meet their needs as accurately as possible.

A number of tools already exist on the market, some even for free, but they are not as widely used as they could. The project could therefore also aim to create a toolbox based on existing tools and methodologies. However, the toolbox could be successful only if the marketing towards SMEs is timely planned during the creation phase of this toolbox. The partners will do so in testing the toolbox among twelve MED SMEs.

3. Methodology for the interregional report

Existing data was collected through interviews, led by 17 different interviewers from the 9 different partners. 171 companies and 32 organisations were interviewed at the interregional level.

The collected data was then analysed with Sphinx at the interregional level by the Chamber of Commerce and Industry of Marseille Provence.

3.1. Drafting of the Questionnaires

In collaboration with the eight other partners of the Responsible Med project, the Chamber of Commerce and Industry of Marseille Provence prepared two questionnaires to be followed by the partners during their interviews:

- a first one specifically designed for companies;
- a second one tailored for organisations (i.e. public corporations, associations, governmental bodies or other kinds of organisations providing support to companies in terms of Corporate Social Responsibility).

The questionnaires were drafted in English in order to be used by each partner.

Moreover, competitiveness was at the heart of the questionnaires, according to the research done by the Greek partner in the project. As shown in the State of the Art below (part 4 – “State of the Art and State of Practice”), this academic research was focused on the impact of CSR on competitiveness.

In addition, each questionnaire was divided into two parts:

- one part dedicated to the general CSR policy of the company/organisation;
- one part dedicated to specific CSR practices within the company/organisation.

Each partner was responsible for conducting the interviews with the companies / organisations it selected, in its

own regional language. It was then responsible to provide the Chamber of Commerce and Industry of Marseille Provence with its results and to input them directly into the software Sphinx, thereby allowing for statistical treatment at both the regional and the interregional levels.

Each partner conducted the interviews in its own language and then reported the results in English. The switch to English language may have biased the analysis but it was necessary to share a common language in order to complete a comparative study.

The Chamber of Commerce and Industry of Marseille Provence then extracted national results to be integrated by each partner into the national reports. It then aggregated the results to build interregional analyses.

3.2. Interviews

Interviews were conducted during the 2nd half of 2010 and the 1st quarter of 2011 with representative organisations or companies. Each partner chose its own set of companies and organisations to obtain as wide a panel as possible, especially in terms of size, industry and advance into the application of CSR practices. However, according to the fact that each partner conducted only between 15 and 30 interviews, we can clearly not claim that the data is statistically representative.

The partners interviewed 171 companies⁵ and 32 organisations⁶.

⁵ The list of the interviewed MED SMEs is available in Annexe 1 – “List of the interviewed MED SMEs”

⁶ The list of the interviewed organisations is available in Annexe 2 – “List of the interviewed organisations”

3.3. Analyses

3.3.1 General overview

The Chamber of Commerce and Industry of Marseille Provence led the interregional analysis based on the inputs provided by its partners. Each partner asked up to 20 companies and 3 organisations to answer the questionnaire finalized by the CCIMP. There are biases in the answers of these companies in three areas:

1. Most of the interviewed companies are already involved in CSR at some level. Therefore, they might be more interested in the field than average SMEs.
2. Interviews were conducted based on different methods, which can have an impact on the quality of the results. At least four methodologies used to conduct the interviews can be distinguished:
 - a. questionnaires to be answered online;
 - b. questionnaires handed over during a private interview;
 - c. questionnaires answered over the phone;
 - d. questionnaires answered during an on-site workshop, at the same time as other companies.
3. Questionnaires were sometimes translated into the mother tongue of the respondents. This could have led to certain shifts of meaning affecting the answers of the respondents.

Although a number of interviews were conducted, not enough data was statistically available in order to draw significant comparisons on CSR within the MED.

However, the data displayed in this report is significant, if not otherwise specified. Various significance tests were conducted, with the chi method being the most widely used. When the statistics were not significant with the data provided by the partners in the study, we could either not complete the analysis or the comparison, or we chose to expressly specify to what extent the data collected was significant.

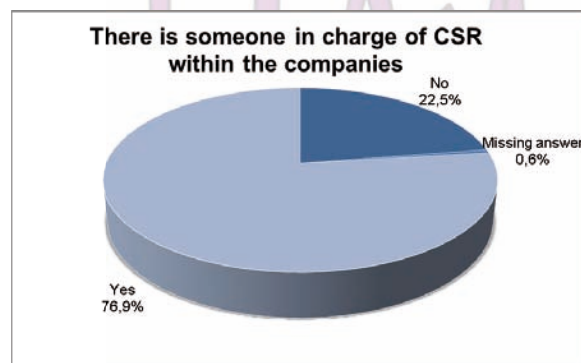
3.3.2 Quantitative analyses

The graphs chosen to illustrate the interregional report were elaborated based on the following criteria:

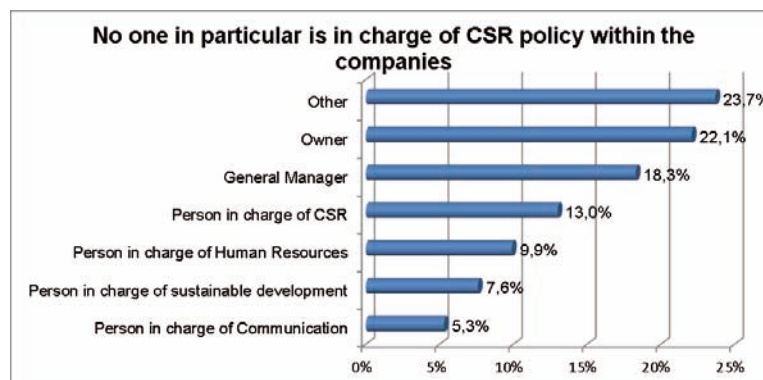
- they need to be significant (chi method analysis);
- they must bring value to the interregional comparisons (showing differences between countries or similarities among them);
- they must provide a general and meaningful overview of CSR policies and practices.

We decided to show the results using the following three types of graphs:

- pie charts:



- bar charts:



- Competitiveness questions are analysed through a scoring table with radar. It concerns questions 51 to 271 from the questionnaire for companies and questions 48 to 96 from the questionnaire for organisations.

For instance:

The contribution of "Training activities" CSR action to different dimension of firm' competitiveness	
Improvement of product quality	3,60
Increase of productivity	3,57
Increase of commitment loyalty, motivation, morale	3,51
Improvement of management skills	3,48
Modification of internal values	3,11
Improved response to tender requirement of clients	3,03
Improvement of the image	2,99
Better recognition by society	2,78
Increase in innovation	2,71
Anticipation of new regulations	2,69
Participation on R&D projects	2,52
Entrance in new markets	2,31
Strengthening of community ties	2,25
TOTAL	3,00



We moreover decided to recode some of the modes in order to provide the reader with an

easier and more meaningful presentation of the data.

The new codes of the quantitative questions needed to be validated in group sessions during the Responsible Med meeting in Cyprus (14-15 April 2011).

Example:

The modes of question 24 from the questionnaire for companies *"Please select the 5 most important objectives of your company's CSR policy and rank them according to their importance"* were the following:

1. To gain market share
2. To reduce costs
3. To limit the impact on the environment
4. To improve risk management
5. To bring value to the image of the company
6. To improve skills and productivity of the employees
7. To improve social relationships in the company
8. To improve or to develop accessibility (for handicapped persons)
9. To meet the demands of the major clients
10. To improve working process
11. To favour technical innovation
12. To improve the organisational structure of our enterprise
13. To increase the intensity and quality of relationships with our stakeholders
14. To better manage the future legislative compliance
15. To better manage relationships with our suppliers
16. Other

The question was recoded as follows:

- A. To improve relationships towards internal stakeholders (modes 4, 6, 7, 8)
- B. To improve relationships towards external stakeholders (modes 3, 5, 9, 13, 14, 15)
- C. To improve processes within the company (modes 10,11,12)
- D. To directly improve financial results (modes 1, 2)
- E. Other (mode 16)

Additionally, question 1 ("Name of the partner") from both the questionnaire for companies and the questionnaire for organisations was recoded to allow for a comparison between countries and not only between partners.

Due to few qualitative details being provided, we were not able to focus as much on "good practices" as initially expected. Moreover, a number of questions were left unanswered, abstention representing sometimes up to two thirds of the questionnaires. Therefore, unless otherwise specified, the following graphs are primarily issued from the first part of the questionnaires (regarding policy issues) and not from the section dealing with good practices.

Neither were we able to build as much on questions 51 to 271 as we would have liked, regarding the contribution of a given type of CSR action to the different competitiveness dimensions of companies. For the sake of accuracy, it would have been preferable that more companies completed the questionnaire on good practices in full. 149 Good Practices #1, 82 Good Practices #2 and 42 Good Practices #3 were completed, ie. only 273 Good Practices in total. This left us no choice but to limit the scope of our analysis on that specific part.

The "no answer"s were systematically treated. There were two types of "no answer"s:

- missing answers, i.e. when a company or organisation did not give its point of view;
- "N/A" answers, i.e. when the question did indeed not concern a participating company or organisation.

3.3.3 Qualitative analyses

All the qualitative data was analysed through Sphinx Lexica after being all read by the analysers. Verbatims that can be exploited via Sphinx were all read based on an answers' table.

Based on the answers' table, a content analysis was made systematically (i.e. the analysts read all the data) and new modes were defined (i.e. analysts defined categories based on the open questions so as to make comparisons possible).

The analysts then manually deduced a mode from each answer. And final statistics were calculated by Sphinx, based on the new modes defined by the analysts.



4. State of the Art and State of Practice

4.1 State of the Art and State of Practice Review for SMEs

According to the methodology established during the development of the Responsible Med project, a literature review was performed with two aims. Firstly to provide input for the questionnaires used to survey each area participating in the Responsible Med project in order to map the relationship between CSR and competitiveness in each region. Secondly to justify the characteristics and the capabilities of the tool to be developed within the framework of Component four of the Responsible Med project that will study the impact of SME CSR actions on competitiveness. The State of the Art (SoA) and State of Practice (SoP) articles for SMEs and “organisation”⁷ reviewed within the framework of Responsible Med can be divided into theoretical and empirical studies. Emphasis was given to the papers discussing CSR within the European Union and discussing actions of SMEs. The State of Art and State of Practice review for SMEs addresses issues relevant to the motivation and objectives of SMEs for CSR actions taken, the nature of these actions, the links between CSR actions of SMEs and their competitiveness, and enablers and barriers to CSR implementation. Similarly the State of Art and State of Practice review for organisations addresses the following issues: the characteristics of the organisations, the scope of the implemented policies, the different approaches to CSR implementation, the role and motivation of the organisations, their priorities, the association of CSR and competitiveness at organisational level, and enablers and barriers for implementing CSR policies by organisations.

4.1.1. Motivation and objectives of European Companies for CSR actions

The literature review permitted the partners to have a first glance at CSR practices. However it is important to note that most studies do not focus on SMEs (unless otherwise specified) and most studies analyse companies at a broad European level, i.e. not only the MED region, but also Central and Northern Europe.

⁷ In this document when the term “organisations” is used it implies Governmental organisations, NGOs, Business Associations, Trade Unions, Chambers of Commerce etc.

The motives influencing the introduction of CSR activities by SMEs can be divided into the following two broad categories: i) internal and ii) external (AUEB-RC, 2011). Internal motives for embracing CSR are articulated by internal company stakeholders, mainly the owner/CEO of the SMEs while external factors are usually the outcome of pressures exerted to SMEs by their suppliers, customers, capital markets etc.

According to literature, the analysis of the motivation of SME CSR actions suggests that there are national differences (at a broad European level) regarding the motivation of SME CSR initiatives. In Norway, Austria, Finland and Spain the majority of SMES reported as their main driving force for CSR the values of their manager/owner (Mandl, Dorr, & El-Chichakli, 2007; Terrassa Chamber of Commerce & University of Girona, 2011). On the other hand evidence from other countries suggests that the motives for introducing CSR actions were different. For instance German SMEs consider CSR activities as a mean of differentiating their product/company from competitors, and enhancing relations with their stakeholders, while Polish SMEs are concentrated on the business benefits of CSR (Mandl et al, 2007). In Greece SMEs cite the following CSR motives: gaining from enhanced publicity, improvement of "relations with the business environment and sectorial competition" (Papadopoulos, 2011). A survey of SME managers (CSR Baltic, 2007) in Estonia reported that enhanced company reputation, employee and consumer loyalty and sustainability were their main motives for CSR implementation. As it is difficult to compare studies that do not have the same methodologies, this interregional report will give us deeper insights on Mediterranean countries.

As there was so far no academic work on Mediterranean SMEs and CSR, we will see in the following chapters that Mediterranean SMEs actually share common motivations, which are primarily internal.

Pressure from stakeholders as Corporate Social Responsibility motives were reported from other studies as well (Becchetti, Ciciretti, & Hasan, 2009; Rowe, 2005). However these studies didn't limit their research only to SMEs. "CSR actions, and particularly the corporate code of conduct, have been one of global business' preferred strategies for quelling popular discontent with corporate power" (Rowe, 2005), and an important tool to minimize conflicts with stakeholders (Becchetti et al, 2009). Rowe,(2005) states that CSR prospered historically when "corporations became subject to intense public scrutiny".

The welfare state of a country may also influence SME CSR implementation (Lepoutre & Heene, 2006). A study conducted in European SMEs (Observatory of European SMEs, 2002) indicates higher CSR involvement in Northern countries (Finland, Denmark, Iceland, and Norway) as compared to the countries of the South. Lepoutre and Heene (2006) also suggest that "lower welfare countries such as Spain and Greece" have the lowest CSR involvement compared to their European counterparts.

When SMEs are engaged in CSR activities their objectives were reported to be: enhancement of the firm's reputation (IKEI, 2007; Papadopoulos, 2011; Turku School of Economics, 2007) respect employees and motivate them by securing a healthy working environment (Agder Research, 2005, IKEI, 2007, Mandl et al, 2007, Turku School of Economics, 2007, Terassa/Girona, 2011), invest strategically in quality and environmental issues to respond to increasing pressure from the markets, (RARE Consortium, 2006), respect the environment (Rare Consortium, 2006, Mandl et al, 2007, Papadopoulos, 2011), generate cost savings (by being more energy efficient, minimizing waste reduction, recycling) (Rare Consortium, 2006, Terassa/Girona, 2011), gain access to new markets and clients by differentiating the product or the company "i.e. using CSR strategically as a marketing tool" (Maass, 2007, Rare Consortium, 2006, Mandl and Dorr, 2007, IKEI, 2007, Turku School of Economics, 2007) or increase customer satisfaction and loyalty (Terassa/Girona, 2011).

We will see in the results of the study that, unfortunately, MED SMEs see primarily the effect on image, and do not see more powerful effects of CSR, such as gaining access to new markets or innovation.

4.1.2 Nature of CSR Actions and actions taken

According to literature CSR actions can be:

- either part of a coherent strategic business model and a result of a long-term involvement and commitment,
- or activities decided and implemented on an ad-hoc basis.

Mandl and Dorr (2007) showcase thirty SME CSR programmes from six European countries (namely Austria, Finland, Germany, Norway, Poland, Spain). Twenty six of these programmes identified their CSR actions as being long term and strategic – and to some extent related to the nature of the business of the company, or to the well-being and the productivity of employees.

According to their content, CSR actions are grouped into four main categories: Environment (recycling, emissions, waste management etc), Workplace (labour practices such as training and safety, monetary benefits etc), Marketplace (product quality, responsible advertising and more) and Community (issues benefiting the society, such as sponsoring cultural and sport events, supporting NGOs etc). We also used this categorisation to describe the good practices of SMEs.

National differences at a broad European levels in terms of culture and societal expectations may lead to a different degree of adoption of CSR actions. For example 83% of Finnish SMEs are involved to CSR actions, while 46% of Spanish SMEs do so (European Commission, 2002).

National differences may also influence the types of CSR actions implemented. For instance, “the northern and central European countries show the highest percentages of SMEs involved in community activities, contrary to southern countries as well as France and the United Kingdom” (European Commission, 2002) which focus on the other three categories of CSR actions, the environment, workplace and marketplace. These findings are in line with findings from Greece and Italy where SMEs believe that the most important CSR field and very much ahead of the others is the one related to the employee care followed by marketplace and environment while society issues receive lower support (Papadopoulos, 2011, Caroli and Tantalo, 2010). Furthermore a study focusing on large corporations found that CSR activity is more dynamic in Northern Europe than Southern Europe, “perhaps suggesting links to the development of the economic system and a historical tendency towards more liberal democracy in the north”(Welford, 2005).

We will see in the study we conducted that the Mediterranean region does not present strong National differences, but a common regional situation.

Company size also influences the type of activity. According to Welford (2005), the percentage of SMEs involved in external social activities in Europe is 48% for companies below 10 employees, 65% for companies employing 10-49 people and 75% for enterprises with 49 - 250 workers.

The types of CSR actions vary between SMES and large firms. Lepoutre and Heene (2006) suggest that “small business owner-managers are particularly sensitive to activities related to their immediate internal stakeholders (employees, customers and suppliers)”. The implemented CSR actions aimed at improving loyalty in their “relationship with customers and employees; openness, honesty and fairness in contracts, agreements, payments and (marketing) information; pricing issues among competitors; and the origin of resources” (Lepoutre and Heene, 2006). Danish SME managers were asked if they would pass on CSR requirements to the subordinate tier in their supply chain. The results of this study suggest that in 70% of the cases they do not do so, due to mostly limited resources and bargaining power. (Jorgensen & Knudsen, 2006)

4.1.3 SME CSR and competitiveness

While SMEs may be sceptical regarding the short term outcomes of CSR, “it may be concluded that European SMEs [gain from] an improvement of the enterprises’ image, resulting in a higher loyalty and commitment of all stakeholders and, therefore, a higher competitiveness is assumed” (Mandl and Dorr, 2007). In Greece, most SMEs (more than 85%) were found to believe that the implementation of CSR practices positively affects their consumers (Papadopoulos, 2011).

The 2008 EU competitiveness report identifies six main dimensions of competitiveness that may be influenced by CSR actions. These are: cost structure, human resources, innovation, customer perspective, risk and reputation management and financial performance.

The relationship of competitive factors and CSR drivers can be categorized into three different groups of benefits according to the point of view of the firms (Regional Government of Tuscany – Department of Economic Development, 2011):

- Internal benefits which include all aspects related to the organisation and internal management. These benefits are related to HR management (know-how, transfer, safety, wellness at work, productivity, attractiveness, motivation, higher morale), cost savings, and organisational or technological innovation (Biondi, Iraldo, & Meredith, 2002; Branco & Rodrigues, 2006; Hillary, 2004; Iraldo, Testa, & Frey, 2009; Krozer, 2008; Rehfeld, Rennings, & Ziegler, 2007)
- External benefits, referred to the overall external environment of firms. These benefits include risk management, reputation enhancement, supply differentiation, management of stakeholders pressures, stakeholder engagement and issues related to consumers (new market requests, new attitudes or adapting to present expectations) (Bellesi, Lehrer, & Tal, 2005; Buysse & Verbeke, 2003; D'Souza, Taghian, & Khosla, 2007; Freestone & McGoldrick, 2008; Graafland, 2002; Smith, 2007; Tencati, Perrini, & Pogutz, 2004; Uusitalo & Oksanen, 2004).
- “Stakeholder” benefits which account for the specific consequences of the application of CSR within a firms' network and within a supply chain. More specifically companies in a network can act together to overcome barriers, facilitate information flow, create market fairness or be part of a sustainable supply chain, and better comply with international standards (either regarding labour, consumer safety or environmental protection)

(Ansett, 2007; Battaglia, Bianchi, Frey, & Iraldo, 2010; Ciliberti, Pontrandolfo, & Scozzi, 2008; Mamic, 2005). The stakeholders' benefits can also be referred to as "intangible capital" benefits, a notion that is conveniently and commonly used by CSR professionals in France – as showed by the CCIMP (ORSE, June 2005). The notion of "intangible capital benefits" also has the advantage to be better understood by non-professionals in CSR – who may not all be acquainted with the notion of stakeholder.

However, the circumstances under which these potential sources for gaining a competitive advantage can be reinforced may differ.

The reviewed literature suggests that CSR can be a source of competitive advantage if:

- Companies "organize for CSR" by creating a "corporate social agenda" and integrating social initiatives in agreement with their core strategies (Aegerter, 2007; Becchetti, et al., 2009; Porter & Kramer, 2006). Thus, CSR projects should emphasize the strategic nature of CSR and generate "valuable, rare, inimitable and effectively organized" resources (Caroli and Tantalo, 2010)
- "CSR actions are in harmony with societal expectations". Company executives should take into account the positive and negative consequences of their actions, not only for their company but for the society in which the company operates. CSR strategy should also search for those factors that both bring a competitive advantage to the company and maximize social impact (O'Brien, 2001; Sousa Filho, Wanderley, Gómez, & Farache, 2010)
- SMEs manage to overcome those factors that hinder their CSR activity. Such barriers include the lack of resources such as time and money (CSR Baltic, 2007, Rare Consortium, 2006), lack of awareness (know-how, potential benefits, expertise and existing tools (Rare Consortium, 2006, (Lepoutre and Heene, 2006) and lack of power to enforce social requirements to their own suppliers (Jorgensen and Knudsen, 2006).

4.1.4 CSR Indicators

The measurement of the performance of CSR actions is a challenging issue. Most ratings and indices still are not measured consistently and do not "accurately reflect social impact". Moreover different indices like FTSE4Good and Dow Jones Sustainability Index use different criteria, or weight the same criteria differently, and have been developed primarily for large corporations and are not applicable in the context of SMEs. Reliability of the data used is sometimes questionable since they are based on "statistically insignificant surveys" and self-reported company information (Porter

and Kramer, 2006). Furthermore, these indicators are not tailored to reflect the needs and requests of SMEs, thus their applicability in assessing the performance of SMEs' CSR actions and programmes may be questionable. Belu & Manescu (2005) propose that the weights used to develop these indices should be firm-specific.

Qualitative and quantitative indicators have been proposed to measure the impact of CSR actions. The most common form of evaluation was a subjective assessment of qualitatively measured indicators such as: the enhancement of external image and reputation (Agder Research, 2005, IKEI, 2007, Mandl et al, 2007, Turku School of Economics, 2007, Bieńkiewicz, 2007, Papadopoulos, 2011), employee issues such as attracting better prospective employees, increased employee loyalty, receiving useful employees' input, motivation of employees, staff morale) (Agder Research, 2005, IKEI, 2007, Maass, 2007, Turku School of Economics, 2007, Bieńkiewicz, 2007) company differentiation (Agder Research, 2005, Maass, 2007, Mandl et al, 2007, Bieńkiewicz, 2007), new market penetration or increase in brand reputation, reduced liability to risks / fines (IKEI, 2007, Maass, 2007) or better access to capital (Bieńkiewicz, 2007).

Quantitative indicators proposed to measure the impact of CSR actions on competitiveness include: objectively measured change in the rate of work related accidents (IKEI, 2007), reduction in raw material / waste /energy (IKEI, 2007, Mandl et al, 2007), increase in turnover/clients (IKEI, 2007, Maass, 2007), reduced employee absenteeism (Bieńkiewicz, 2007), and monetary prizes / awards won in CSR contests (Maass, 2007). Although the above stated indicators can be measured objectively in most cases reviewed these indicators were subjectively assessed.

The ability of an SME to innovate may be also considered as a possible criterion in assessing the performance of CSR actions in relation to competitiveness. Innovation is considered from three perspectives: innovation resulting from engagement with other stakeholders, identifying business opportunities through addressing societal challenges and creating workplaces that are more conducive to innovation (Terrasa/Girona, 2011). A European Commission study found a strong link between workplace diversity and equality practices, and company innovation and creativity (European Commission, 2008). While the business benefits for an enterprise are more easily recognized for CSR actions aiming at monetary savings and productivity or sales increase, the links between CSR and innovation are "less obvious". Nevertheless, this link exists, CSR can help companies attract better and more innovative talent, engage

stakeholders and keep a healthier workplace environment (Porter and Kramer, 2006, Papadopoulos, 2011, Caroli and Tantalò, 2010).

This last step is definitively key to competitiveness, but as we will see further, MED SMEs confirmed that the link between CSR and innovation is “less obvious”, in the sense that most of them do not see it.

4.1.5 Enablers of SME CSR actions

Different types of initiatives taken by different types of organisations can facilitate the introduction of CSR actions by SMEs. The main enablers identified in the literature includes: economic incentives by the national government or the European Union (Agder Research, 2005, Turku School of Economics, 2007, Terrassa/Girona, 2011), support, training and consulting by different fora and association networks and NGOs that devote efforts in promoting CSR (Rare, 2006, IKEI, 2007, Maass, 2007, Mandl et al, 2007, Mandl and Dorr, 2007), promoting and auditing of CSR related activities by ministries and chambers (IKEI, 2007, Mandl et al, 2007), the existence of networks national certificates, prizes and awards, academic support e.g. publishing reports, offering classes, studying and researching CSR (IKEI, 2007, Mandl et al, 2007) and enhancing R&D research, ensuring credibility, influencing prices, improving transparency and disclosure and promoting public /private partnerships (Martinuzzi, 2010).

The formation of clusters also has emerged as an important enabler for CSR actions. Networked firms experience fewer problems with time and knowledge (BITC, 2002, Hunt, 2000, Lepoutre and Heene, 2006). In addition, networks “increase the availability of new information and knowledge ... [and have been] cited not only as key media through which SMEs can learn on a wide variety of topics (Hoang and Antoncic, 2003), but also as the locus of new knowledge creation (Inkpen and Tsang, 2005)” (Lepoutre and Heene, 2006)

Battaglia et al (2010) based on evidence from Italy propose clusters as an approach for SMEs to overcome the barriers for their CSR implementation. SMEs that have similar social and environmental impacts, similar interactions with local actors or face common social and environmental pressures from stakeholders could form networks / industrial clusters. This way, the cluster can enhance the possibility of defining common CSR actions, improve relations with the local stakeholders and thus reduce the costs of CSR actions for each SME and improve results while maximizing social impact.

A project in Tuscany, proposed a cluster approach, allowing the achievement of sustainable objectives and the adoption of CSR-related tools by SMEs. "This is made possible by setting up specific cluster tools: local multi-stakeholder working groups, communication tools to disseminate expertise and best practices, operational models, guidelines to support organisations toward CSR, and audits at the local level. The cluster approach is based on a methodology by which the CSR tools are developed by a local production system as a whole and not simply by the enterprises it is made up of. In other words, the traditional approach to CSR at the local level among SMEs proposes the promotion of sustainability management *within* the production system, while the proposed "cluster approach" promotes CSR *of* the production system. From competitive point of view, the CSR cluster approach allows to SMEs to include and internalize CSR activities in the long-term business strategy, through a sharing of best practice and know-how diffusion, and with a key role played by local stakeholders" (Tuscany, 2011 - COOPERATE Project).

4.1.6 Barriers to SME CSR actions

Limited financial resources and time have been identified as the most common barrier hindering the implementation of SME CSR actions (Agder Research, 2005, Ikei, 2007, Maass, 2007, Mandl et al, 2007, Papadopoulos, 2011). The impact of limited time availability on the implementation of CSR actions is well documented: Lepoutre and Heene (2006) and CSR Baltic (2007) suggest that SME managers that are tight up in a busy day-to day schedule are less likely to engage in CSR practices. Likewise, the lack of financial resources is an important barrier to CSR (O'Brien, 2001, Lepoutre and Heene, 2006). Most managers tend to see CSR as a pricey, "resource consuming" (Agder Research, 2005) managerial attitude with an unclear cost-benefit relationship (i.e. lack of understanding "the beneficial outcome" Mandl et al, 2007, Turku School of Economics, 2007). Lepoutre and Heene (2006) divide SME financial concerns to three main categories: cost consideration – where in the minds of SME managers CSR costs will bring nothing back to the firm. Investment prioritisation, since managers and owners of SME might be interested in implementing CSR actions but decide to spend their limited resources in other more urgent investment or business needs. Finally, they conclude that "systemic innovations" are too burdensome for SMEs. The cost and risks for example associated with rearranging the firm's business strategy in a more environmentally responsible way may be "too large for an SME to carry".

The argument of limited time and money is particularly referred "against the background of perceived additional costs of CSR activities and the more severe pressure of the "daily struggle to survive" (European Multistakeholder Forum on CSR, 2004, Mandl and Dorr, 2007).

Another common barrier is the limited know-how on CSR issues (Agder Research, 2005, IKEI, 2007, Mandl et al, 2007, Turku School of Economics, 2007, Papadopoulos, 2011): while in many companies the “moral way of making business is evident” (Agder Research, 2005) it usually exists as “the right thing to do” and not as a strategic decision. SMEs do not feel comfortable with the CSR concept, in the sense that CSR is mostly identified with large enterprises (IKEI, 2007) and have trouble recognizing “which functions is responsible business activity” (Turku School of Economics, 2007).

Another reported barrier is the difficulty of SMEs to shift their -in many cases informal- CSR efforts to a more formalized CSR. In many cases, CSR is implemented by SMEs without them even knowing the term and definition of CSR. This use of informal CSR policies adopted by SMEs (Chiesi, 2005; Perrini et al., 2007; Russo and Tencati, 2009) is also known as ‘implicit CSR’ (Matten and Moon, 2004; 2008), or ‘silent CSR’ (Jenkins, 2004). The lack of human, technical and organisational resources found in SMEs makes the implementation of formalized CSR policies very difficult, both because of the perceived costs and the complexity of the operation (European Commission, 2002; 2004; Luetkenhorst, 2004; Fox, 2005; Lepoutre and Heene, 2006). A survey in Romania identified additional barriers to CSR implementation. These barriers include “lack of efficiency, transparency, and credibility; their lack of clear-cut social and marketing objectives; their lack of professional evaluation and promotion” (Lamandi and Radu, 2008).

The existence of the above mentioned barriers coupled with unaffordable consulting services (Maass, 2007), legal and bureaucratic barriers (such as not accepting exemptions from donations) (Maass, 2007, Mandl et al, 2007, Papadopoulos, 2011) and lack of tools oriented towards measuring the performance of SME – CSR actions increase the degree of difficulty associated with the introduction of CSR actions by SMEs.

4.2. State of the Art and State of Practice Review for “organisations”

4.2.1 Types of Organisations involved in CSR Initiatives

A wide spectrum of organisations is involved in different capacities in the promotion and implementation of CSR programmes. These organisations can be classified as follow:

- International Organisations such as the European Union and the United Nations (Steurer et al, 2007)
- National governments. All 27 EU member states’ governments implement in some ways actions to foster CSR (CSR Europe, 2009, Papadopoulos, 2011).

- Local authorities, in more decentralized countries or where the implemented actions target a specific region.
- Business Associations, Trade Unions, Chambers of Commerce. These associations “have leading roles through capacity building, raising awareness, engaging businesses” due to their strong “positive influence” on SMEs (IAD Bank, 2008).
- NGOs that work *with* other organisations offering advice or *against* them criticizing when organisations don't act responsibly (CSR Europe, 2009, IAD Bank, 2008).
- Academia can educate people, companies and organisations on CSR issues. More specifically academic institutions may “drive CSR by providing content, educational materials and training programmes and may help write guidelines for ethical conduct among SME managers” (IAD Bank, 2008).
- The Media can play an important role in raising awareness, promoting CSR, supporting initiatives and criticizing wrong-doings of companies (CSR Europe, 2009).
- Local communities can take action on their own hand and initiate CSR policies. Local communities “may also contribute to a stakeholder engagement and NGOs awareness campaign for local communities” (IAD Bank, 2008).
- Large Multinationals through initiatives helping their supply chain partners to embrace CSR values. An example of such an action is the CSR Laboratory on Responsible Supply Chain Management, an alliance of four international companies that “aims to promote a cascade of responsible business behaviour in the supply chain by reviewing current practice and helping companies and suppliers to mature supply chain management initiatives” (<http://www.csreurope.org/pages/en/supplychain.html>)
- Multilateral Development Institutions⁸ (MDIs) such as the World Bank have a strong role in raising awareness of CSR, engaging the parties in negotiation and cooperation, financing pilot activities and providing technical assistance (IAD Bank, 2008). According to Vives (2004) MDIs “Taking advantage of their unique position as honest brokers, their global reach and their developmental objectives that coincide with those of CSR, they can advocate responsible practices, help develop a conducive

⁸ (MDIs) such as the World Bank are institutions that provide financial support and professional advice for economic and social development activities in developing countries. Typical example is the World Bank Group and its four Regional Development Banks: The African Development Bank, The Asian Development Bank, The European Bank for Construction and Development, and The Inter-American Development Bank Group (www.worldbank.org).

environment, finance CSR activities and support measures to enhance the accountability of businesses”.

4.2.2. Geographical scope of CSR policies

The geographical scope of CSR policies initially introduced by organisations can be classified into: i) International, ii) National, or iii) Local (regional). Examples of internationally implemented policies include the Global Compact, a UN strategic policy initiative for businesses focusing on areas such as human rights, labour, environment and anti-corruption (www.unglobalcompact.org) or “Mainstreaming CSR among SMEs” a project aiming to “support small business organisations in implementing the recommendation guidelines made by the Multi-Stakeholder-Forum on CSR” (www.csr-for-smes.eu). National policies are usually implemented by national governments (e.g. most European countries (CSR Europe, 2009), or other organisations operating solely in a specific country. In Greece for example, the Hellenic Federation of Enterprises is “actively supporting the increase of entrepreneurship and continuous improvement of competitiveness and business efficiency, with respect to the social cohesion and the environment” (Papadopoulos, 2011). It is not uncommon also for organisations to implement local/regional plans as in the example of Argentina in which one can find a “high degree of decentralization” and therefore provinces have emerged as “important players in the promotion of CSR” (IAD Bank, 2008). Another example of regional scope is the case of south Denmark where two forums work together to help establish their region as an area “where the SMEs have favourable conditions for competence and social development” (Vaderegio, 2005, see section 4.2.10 for further details on this action).

4.2.3 Organisational approaches to CSR policy development

When studying different nations, we should keep in mind that there can be different approaches to CSR. Albareda et al (2008) have shown that while CSR can be seen as a “strategic and competitive” opportunity by many countries, different nations may approach CSR differently, depending on their motives, means, political frameworks and implementation strategies. A country may choose to approach the issue with a more “systemic”, “top down” approach, or it may opt for a more decentralized, multi-stakeholder approach where decisions are made from the “bottom-up”. An example of the top-down approach is reflected in the U.K. CSR strategy which is conducted by the national government through the CSR minister. On the other hand Italy is an example of the bottom-up approach. Where the

Italian government initiated two CSR multi-stakeholder fora and encouraged initiatives by local and regional authorities, SMEs and civil society organisations. Finally, CSR can be integrated in the legislation as in Norway, whose strong welfare tradition provides for most domestic issues with sustainable development, environment and human rights laws. In this case, companies have a small room for voluntary actions domestically and therefore their CSR strategy is mostly oriented internationally (Albareda et al, 2008).

4.2.4 Motivation of organisations for implementing the CSR policies

Albareda et al (2008) and other (Steurer et al, 2007, IAD Bank, 2008) define the main actions that governments may take to facilitate CSR practices. Governments may take initiatives to promote and encourage CSR, lead by example, work as a mediator between NGOs and businesses, encourage multi stakeholder communication and partnerships and generally “coordinate a national framework” for CSR (Albareda et al, 2008).

Examples of specific actions already in place, categorized by the role of the organisations, include:

Mandating, or “defining minimum standards, authorization procedures or best available techniques or technology for business performances embedded within the legal framework” (IAD Bank, 2008) is the least preferred action of organisation to promote CSR. An example of the mandating role of organisations can be found in some European countries that legally oblige the companies listed in their stock exchange to “report on CSR and sustainability issues” (Cyprus, Switzerland and France) while others legally enforce the employment of disabled employees (Spain, Turkey) or the protection of consumers (Turkey) (CUT, 2011, CSR Europe, 2009).

An exception to the general rule of low frequency of law “mandating” actions is Austria, a highly regulated state. There, “a number of environmental, labour and social protection laws [set] minimum standards for business behaviour” and state that “a corporation must be managed in a way that benefits not only shareholders and employees but also public interest” (CSR Europe, 2009).

Lepoutre and Heene (2006) as well as others (BITC, 2002, Castka et al., 2004) suggest that governments’ mandating CSR practices are not in alignment with the voluntary nature of CSR. Policy initiatives, then, “should be directed through existing channels that small businesses already know and trust” (Lepoutre and Heene, 2006). Industrial organisations, small business networks and fora therefore, have the responsibility to create a sense of responsibility, partner institutions for collective actions and steer SMEs to a more responsible behaviour.

Ensuring Transparency by actions such as supporting voluntary third party auditing or educating SMEs on accountability and reporting standards. Public authorities may encourage transparency in general (Belgium, Czech

Republic, Hungary – CSR Europe, 2009, Steurer at al, 2007) or by addressing issues such as compliance (Mexico – IAD Bank, 2008), fair trade (France, UK, Mexico -IAD Bank, 2008, Steurer at al, 2007), employment relations or bribery (Peru, Mexico –IAD Bank,2008). An NGO facilitating transparency around the globe is “Transparency International” a “global civil society organisation leading the fight against corruption” (<http://www.transparency.org>).

Facilitating, or, “enabling and increasing the adoption of management tools such as voluntary product labelling schemes and guidelines for company management systems or reporting” (IAD Bank, 2008). This can be done by improving monitoring systems, driving the development of CSR training courses, etc. This is the most preferred course of action for organisations since most organisations understand their role as facilitators of CSR adoption. This approach exists in every organisation's agenda ranging from developing tools to publishing guidelines for CSR. In Catalonia region, facilitating CSR through access to information and good practices is the most common role of organisations (Terrassa/Girona, 2011). The UK government has appointed a Minister for CSR to “provide guidance and support best practice” (CSR Europe, 2009), Polish Ministry of Labour and Social Policy published non legislative guide on CSR implementation (“CSR Implementation Guide Non legislative Options for the Polish Government” World Bank, 2006) and appointed an expert to work on “mainstreaming CSR among SMEs”. In Cyprus, the Chamber of Commerce and Industry has “proceeded to the development of a tool that can help companies measure their emission reductions” (CUT, 2011).

A main instrument of CSR implementation is developing management tools to help SMEs with their implementation. The Regional Guidelines for the sustainability report for SMEs (<http://www.fabricaethica.it>) “represent for SMEs an opportunity to shape international reporting standards (as GRI) to their own characteristics. The Guidelines allow firms to gradual approaching towards international reporting systems, helping to understand what aspects should be improved (reporting as management tool), and verifying the internal and external benefits of reporting activities” (Tuscany, 2011).

Improving Promotion and Advocacy: Promoting CSR includes strategies like the one that took place in El Salvador in 2005 where, the Business Foundation for Social Action “started a programme on the implementation of CSR in SMEs” resulting in a “clear knowledge of the meaning of CSR” (IAD Bank, 2008) or like the “Action Plan for CSR in Belgium” that has been developed to “promote CSR in Belgium and stimulate companies to integrate it in their management” (CSR Europe, 2009). Other actions include publishing CSR reports and surveys, hosting workshops, conferences, seminars on CSR, offering advice to SMEs that might need it, disseminating best practices and working with media and Universities (CSR Europe, 2009).

Leading by example: Some organisations decide to show the way to their members or stakeholders in being responsible. The Swedish government, for example, decided that 85 % of cars in public procurement should be environmentally friendly and that state owned companies will be asked to “present sustainability reports in accordance with GRI guidelines” (CSR Europe, 2009).

Partnering: Partnering is usually done through associations and Chambers of Commerce by “initiating and managing public and private stakeholder partnerships that combine complementary skills” (IAD Bank, 2008). This can be done by developing a CSR culture, collaborating with academia to develop policies, forming alliances with NGOs and more.

These organisations report networking between their members and partnering public with private institutions as their main activity. Ethos Institute “emphasizes the need to establish effective partnerships between large companies and micro and small companies based on confidence and sustainability, *in such a way that all can earn and grow*” (Alli and Sauaya, 2004). Cyprus Chamber of Commerce and Industry has created a platform for Corporate Responsibility. “This platform, which is in constant evolution, promotes, supports and enhances the interest of businesses in Cyprus to integrate in their strategy effective corporate responsibility activities. The aim is to improve economic performance, enhance their ability to manage risk and maximize their positive impact on society and the environment” (CUT, 2011).

But partnering does not necessarily need to start at the initiative of an organisation. The SA-rete Network (www.sa-rete.it) in Tuscany started as a direct initiative of some firms aiming to “make social sustainability a development and competitive tool to emerge in the global market” and turned out as an important promoter of CSR implementation. The Network now also “allows sharing best practice and experiences among members, provides a database of qualified suppliers, and a monitoring scheme of supply chain”.

Endorsing: This action is usually done through awards but also by “demonstrating the success of CSR management and recognizing the efforts of companies” (IAD Bank, 2008). Almost all countries and many associations give awards to companies excelling to one more categories for CSR. These can be direct such as a fiscal incentive, tax reliefs, favourable insurance premiums and/or credit conditions or indirect such as providing the public recognition and status of a responsible company (CSR Europe, 2009, Papadopoulos, 2011, Cosmic Project – Tuscany, 2011).

Steurer et al (2007) surveyed 26 EU member states (excluding Greece), reported on and categorized 103 initiatives of the EU governments. Among these, the most common category is “hybrid instruments”, followed by “mandating” and “endorsing” instruments. More specifically, of the 103 European initiatives 27 were action plans/programmes/strategies for CSR, 25 specific CSR related laws and 14 government-sponsored guidelines.

The study conducted among the MED SMEs permit us to see those different areas of well-illustrated support.

4.2.5 Motivation of organisations for implementing the CSR policies

According to literature, the motivation to implement CSR programmes by organisation may originate from environmental problems or socioeconomic issues. More specifically, dealing with environmental problems such as the Climate change was the main driving force among the 26 EU states reviewed by Steurer et al (2007). Social reasons can include “increasing awareness and public opinion” (4 out of the 26 EU member states reviewed by Steurer et al, 2007), the fact that “local communities are interested in avoiding environmental and social costs” (similarly, 3 out of the 26 EU member states reviewed by Steurer et al, 2007) or as in the case of Brazil where the “high disparity in distribution of wealth puts pressure on the private sector to demonstrate social awareness” (IAD Bank, 2008). Also under “social reasons” belong actions towards providing relief from natural disaster. For example, in Greece, following the catastrophic fires of the 2007 summer, “30 companies – members of the Hellenic Network for CSR – joined their efforts to support the fire-stricken people through a complex and multileveled programme implemented by the NGO PRAKSIS” (Papadopoulos, 2011). The members of the NGO Praksis sent psychologists and social workers to identify and help with post-traumatic stress among children, sent help to elderly people in need and supported the effort to recover the natural environment by organizing voluntary reforestation missions (Papadopoulos, 2011).

A final driving force was reported to be International and European policies “forcing” their member states to take measures and implement policies (Steurer et al, 2007).

From the study we will see that organisations in the MED actually have the feeling that they have internal motivations to support companies on developing their CSR, i.e. that no-one is pressuring them to do so.

4.2.6 Priorities of organisations in relation to CSR categories

Evidence from a report discussing CSR in the European Union (CSR Europe, 2009) show that the main focus for European organisations (mainly governments) is environmental protection. Many European Countries (namely: Austria, Croatia, Czech Republic, Italy, Ireland, Germany, Poland, Scotland, Portugal) mostly focus on issues such as climate change, sustainable development and eco-efficiency, while all European countries have some environmental “National Action Plan” in progress. In Greece too, the ministry of environment promotes eco-labels and EMAS (Papadopoulos, 2011). Other priorities include Diversity issues (Spain, Portugal, Belgium), Transparency (Spain,

Belgium, Hungary), Socially Responsible Investments (Spain, France, Belgium), Human Rights (Sweden, Finland) Community Programmes (Ireland, Turkey), Unemployment (Switzerland), Poverty (Portugal), Workplace safety (Italy). From the studies in the MED SMEs, it is however not clear that there is on the ground such differences on priorities. It is not even sure that there is a priority per country.

4.2.7 Association of CSR and competitiveness at macro level

Research has shown that the competitiveness and expectations of the society are sector specific (Martinuzzi, 2010, Mandl and Dorr, 2007). Banks, chemical plants, food companies will have different needs and face different demands. Therefore policy makers together with "leading companies, business associations, trade unions, NGOs, should jointly develop a common agenda for respective industry sectors" using a "sector specific" approach and taking "the rules of the game" into account (Martinuzzi, 2010). Others too have shown that firm-specific effects affect the relationship between CSR and economic performance (Belu & Manescu, 2009) (Becchetti et al., 2008; Baron et al., 2009)

When discussing CSR at regional/sectorial/country level, it should be reminded that the meaning of competitiveness is "relative". A region is considered to have increased its competitiveness when it outperforms another region with similar characteristics, or when it has developed the "capacity to grow, to innovate and to produce more and higher-quality goods and services, and to keep or gain market shares in international and domestic markets" (European Communities, 2009). Nevertheless, specific indicators have been identified by researchers to assess the competitiveness of countries/sectors/regions. These indicators include: developing a positive reputation, acquiring the know-how to develop products of better quality (Albareda, 2008) or increasing productivity, employment, and transparency (Swift and Zadek, 2002).

The literature review has also revealed that CSR may have negative results (Swift and Zadek, 2002, Zadek, 2003). A region could suffer from an increase in prices that would make another sector/country more appealing. Another danger is for increased market concentration- if CSR becomes the norm, it may grow to be an unaffordable barrier to entry for companies with limited resources (Swift and Zadek, 2002). Environmental regulation and employee rights are both desired at certain levels but overregulation can stifle innovation, hinder flexibility and suppress the voluntary approach of CSR (Zadek, 2003). While this risk is possible, researchers have shown with theoretical models (Swift and Zadek, 2002; European Communities, 2009) and with case studies (Zadek, 2003; Martinuzzi, 2010; Albareda, 2008) that CSR need not be a hindering factor to innovation or trade but "a stimulus to [them] and so to competitiveness" (Zadek,

2003). The true challenge then is for organisations to find ways to maximize the benefits of CSR actions and minimize the risk for a negative outcome of these actions.

The competitive advantage of nations, clusters or regions that integrate social policies in their business behaviour can be attributed to different sources: enhanced reputation for the companies involved (Martinuzzi, 2010; Albareda, 2008), enhanced quality (Albareda, 2008; Martinuzzi, 2010), improved innovation (European Communities, 2009; Martinuzzi, 2010) greater self-knowledge (Albareda, 2008, Zadek, 2002), quicker response to changing markets (Albareda, 2008, Zadek, 2002), health and safety – at least as good risk management (Martinuzzi, 2010), supply chain efficiency (Martinuzzi, 2010), anti-corruption measures (Martinuzzi, 2010), eco-friendly products (as niche marketing strategies), labour market integrations and skills development (European Communities, 2009) and generation of higher levels of trust in business (European Communities, 2009).

To explore the links between CSR and regional competitiveness Alex MacGillivray and David Mackie (2005) produced a report for Business in the Community (an association of 800 UK companies) and AccountAbility (a non-profit institute dedicated to “promoting accountability for sustainable development”). For this report they construct a “pilot regional responsibility Index” (RPI) and compare a region of the UK to the national average. To do so they develop 20 indicators for regional responsibility in four areas: Business Practice (e.g. number of frauds reported, health and safety convictions), Workforce development (e.g. number of employees trained, workplace accident), Community Engagement (volunteering, trust), Environmental Management (e.g. ISO certification, gas emissions). Their main conclusion is that responsibility and regional competitiveness are “closely linked”. Other findings include that: CSR generates competitiveness through “skills and human capital development and improved business reputation”. Environmental Management and Community involvement can bring to the firms and the whole regions a competitive advantage. Therefore they can be seen as “simply good management, rather than altruistic”. Green products, energy efficiency and material resource efficiency can potentially help the whole region grow. Similarly, activities aiming to the development of the workforce can enhance employee skills and productivity, morale, health and safety. CSR activities focusing on community engagement can result too in competitiveness enhancement. Gripple, a UK wire manufacturer with an agenda of many community-led initiatives reports several benefits such as a better link with the society, increased staff morale or reduced risk of crime (MacGillivray and Mackie, 2005).

Unfortunately, the study was not designed to study macroeconomics, therefore, it is difficult to extract a conclusion about competitiveness at a regional level. However we will see that there are some areas of risks that arise in the Mediterranean region.

4.2.8 Enablers of CSR policies

A common enabler of CSR initiatives introduced by organisations includes political commitment (by only a few countries though) to foster CSR programmes and initiatives. The UK government has had a CSR Minister for over ten years (www.csr.gov.uk) while Luxemburg, Slovakia, Germany and Czech Republic have a ministry of Environment, solely dedicated in environmental issues (CSR Europe, 2009). In France public procurers are “trained” to understand that “the cheapest product is not always the best and most durable one” (Steurer et al, 2007). Other enablers include the construction of tools used to evaluate actions, policies, “provide public procurers up-to-date support” and the exchange of experience between EU countries (Steurer et al, 2007).

4.2.9 Barriers to CSR policies

A common barrier “organisation” face in introducing CSR strategies is the assumption that implementing Sustainable Public Procurement is too costly. Out of the 26 EU Member states, 12 mention that “SPP may sometimes be connected to higher costs and may, therefore, be uneconomical or beyond budget constraints” (Steurer et al, 2007).

Another barrier is the lack of political will. In Switzerland, Croatia and more EU countries CSR is “not in the political agenda” (CSR Europe, 2009). In Chile too, the public sector has not promoted CSR issues. Specifically for this case, this low level of CSR involvement can be explained to the “strong economic tie to the United States, which has a corporate culture narrowly focused on profit generation (IAD Bank, 2008).

A different problem reported was bureaucracy. Specifically for the case of Greece “CSR issues are included in the responsibility framework of eight different Ministries” (CSR Europe, 2009) making it hard to coordinate and implement strategies.

4.3 Concluding Remarks

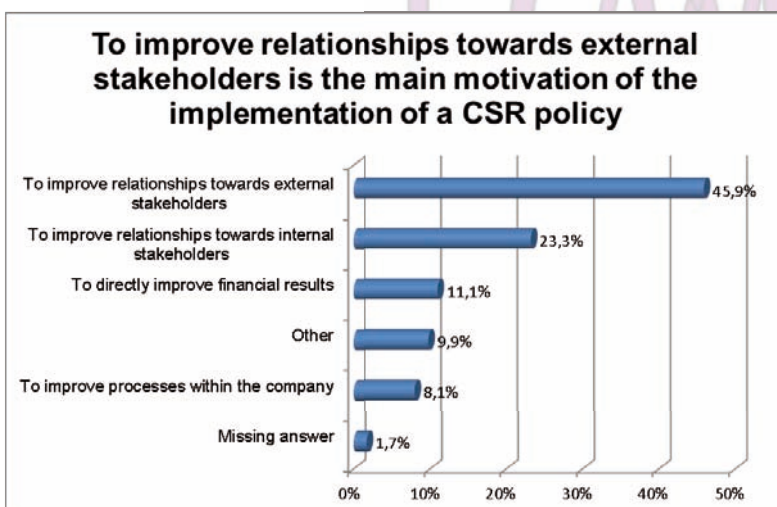
The State of the Art (SoA) and State of Practice (SoP) review for both SMEs and organisations provided useful input for the subsequent activities of the Responsible Med Project. The issues identified through the literature review were instrumented for defining the content and structure of the questionnaires that were used to elicit the opinion of SMEs and organisations surveyed by the Responsible Med project (AUEB-RC, 2011). Furthermore the synthesis of the literature review was used in addition to the inputs from the study to project conclusions, useful for identifying the characteristics and objectives of the Responsible Med project common Methodology and Tool.

5. CSR Projects in the MED area – Aggregated results from questionnaires

5.1 How do MED SMEs choose and conduct their CSR projects?

5.1.1 Motivation

There is one main motivation for the implementation of a CSR policy among SMEs



Graph 1 – “To improve relationships towards external stakeholders is the main motivation of the implementation of a CSR policy”

To improve relationships towards external stakeholders⁹ is the first reason quoted by nearly 46% of the interviewed SMEs (45.7%) to have a CSR policy.

To directly improve financial result is only quoted by 11,1% of the interviewed SMES as the first reason to implement a CSR policy.

To improve processes within the company is only quoted by about 8% of the interviewed SMES (8.1%) as the first reason to implement a CSR policy.

Nearly 10% of the interviewed MED SMEs quoted that their main motivation to implement a CSR policy is another one.

⁹ This variable has been recoded. You have the detail of the change in Annexe 3 “Recoded Variable 24”

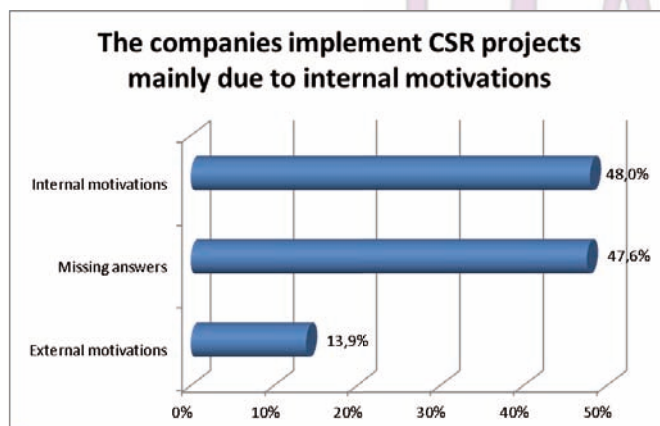
There is no relevant difference between countries: the motivations of the Cypriot, French, Greek, Italian, Portuguese and Spanish SMEs for the implementation of a CSR policy are similar.

From this first result, we can conclude that companies have less difficulties to evaluate the impact their CSR project have towards clients, suppliers and the community than towards their employees or even the bottom line. The fact that the improvement of processes is not seen as a motivation for Mediterranean companies to implement CSR projects might be twofold:

- companies do not evaluate *a priori* how CSR projects can make them gain time and money;
- companies do not implement their CSR projects in terms of productivity improvement.

5.1.2 Internal and external stakeholders

The motivation for the implementation of the CSR projects is mainly internal

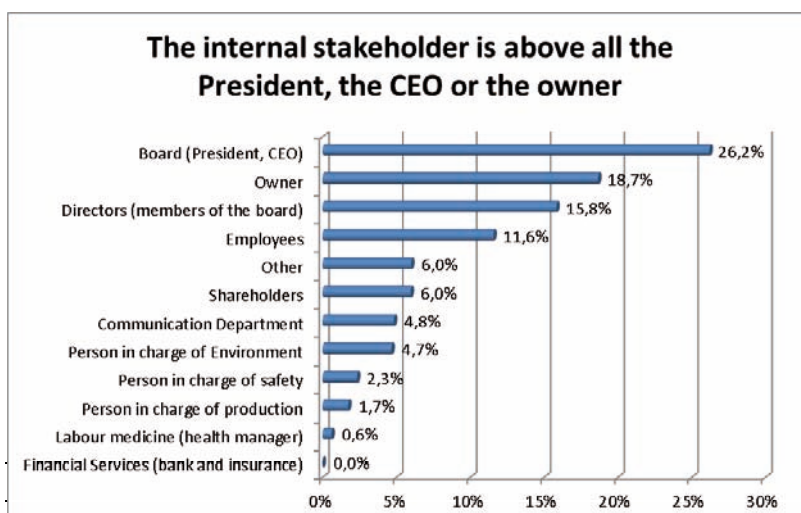


Graph 2 -- "The companies implement CSR projects mainly due to internal motivations"

Whereas companies could quote both answers "internal motivations" and "external motivations", most of them implement CSR projects due to internal motivations.

Everywhere in the European Mediterranean countries, the answer was similar, except in Thessaly, where customers were the main motivations.

The internal stakeholder is mainly the President, CEO or Owner



When companies implement CSR projects for internal motivations, the involved stakeholder is for 26.2% of them a member of the Board such as the President or the owner.

Graph 3 – 'The internal stakeholder is above all the President, the CEO or the Owner

The Head of the companies are indeed those who have the most impact, everywhere in the Mediterranean countries, to impulse and promote CSR. It seems that without the support of the CEOs, it is difficult or even impossible to make CSR tangible.

This is a very valuable lesson for organisations willing to support CSR in companies: the first step in a specific region or sector is to deeply convince the head of the company, as this would permit the beginning of thoughts and actions on CSR.

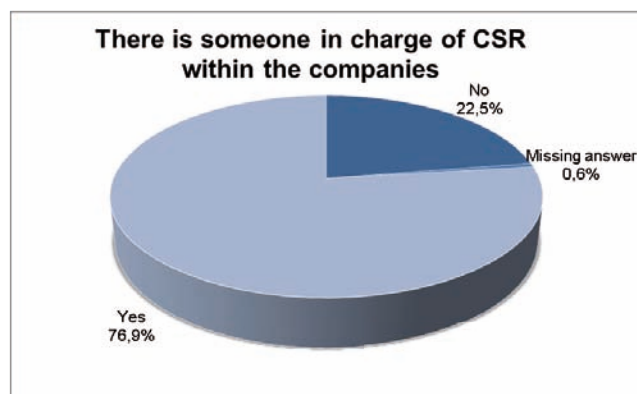
There is no significant answer for the external stakeholders.

It means that there was no specific external stakeholder mentioned that is specifically significant all over the Mediterranean countries. If the community seems very important in the Attica region and in Cyprus, in other regions the impression is rather diffuse.



5.1.3 Person in charge of CSR

There is a person in charge of CSR within the MED SMEs...



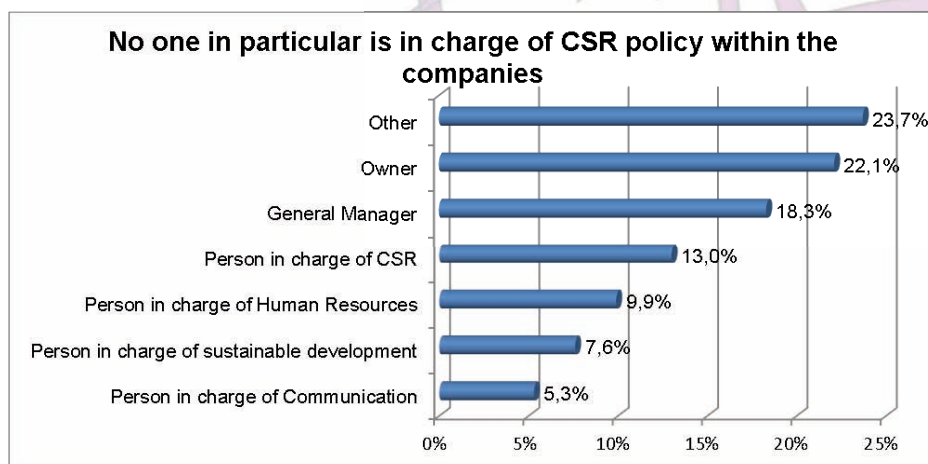
Graph 4 – "There is someone in charge of CSR within the companies"

For 76.9% of the interviewed SMEs there is a person in charge of CSR. It also means that nearly a quarter of the SMEs have no one taking care of monitoring and evaluating the CSR projects.

These results allow us to conclude that companies see the relevance of having someone responsible for the good

implementation of CSR projects. We will however see later that they also consider they do not have sufficient expertise or time to properly conduct such projects. This might be a good sign that training for choosing, implementing and evaluation CSR projects is not enough developed inside SMEs.

... but no one in particular



Graph 5 – "No one in particular is in charge of CSR policy within the companies"

When there is someone in charge of CSR, it is significant to notice that for 23.7% of the companies interviewed, the person in charge of CSR has no defined position.

When there is someone - well defined in the organisation chart - in particular in charge of CSR, it is either the owner (for 22.1% of the interviewed SMEs) or the General Manager (for 18.3% of the interviewed SMEs).

The denomination of "person in charge of CSR" exists for only 13% of the interviewed SMEs.

The person in charge of communication is nearly out of touch of CSR matters (for only 5.3% of the interviewed SMEs) among SMEs. This is quite different than in many bigger groups where corporate social responsibility matters are often linked to the department of communication in some way or another.

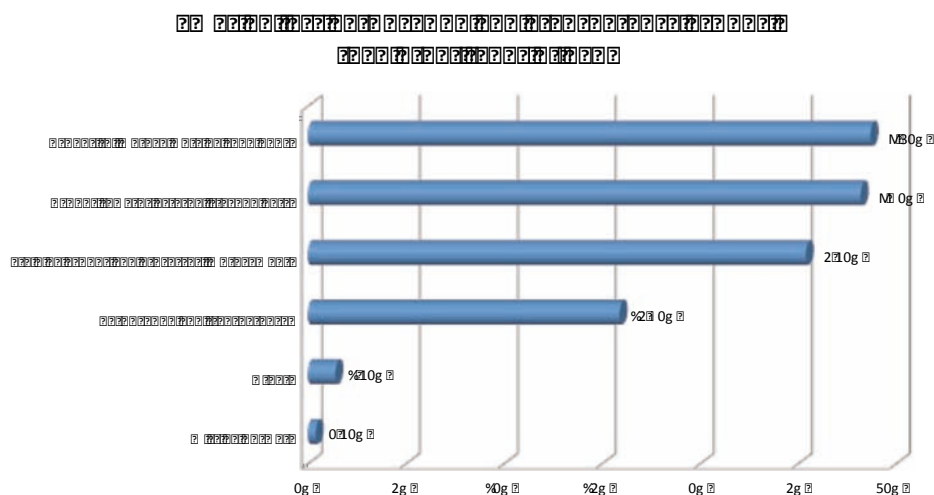
- ✓ This result gives us a precious insight on the reasons why it is difficult for organisations to prepare and offer training on CSR matters to the person in charge. The CSR leaders are very diverse; they have different levels of expertise and different expectations in terms of CSR. An interesting improvement of the current process would be to find training methods that are suitable for everyone, from the general manager to the administrative assistant, through the person in charge of HR and the Quality engineer.

5.2 What kind of CSR do they do?

The MED SMEs implement CSR actions to improve working conditions and relationships with external stakeholders

When MED SMEs put CSR into actions¹⁰, they implement projects in the field of:

- Actions to improve working conditions
- Actions towards external stakeholders



Graph 6 – “SMEs do less certification and transparency actions than other types of CSR”

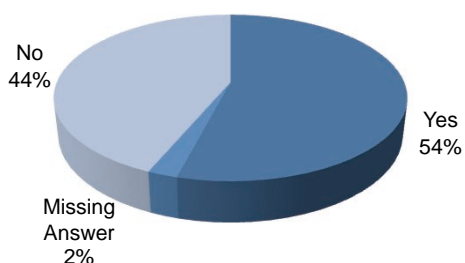
¹⁰ This variable has been recoded. You have the detail of the change in Annexe 4 “Recoded Variable 28”

5.3. How do they consider support for such projects?

5.3.1 Any help?

More than half of the MED SMEs are not helped for the implementation of their CSR policy

More than half of SMEs have received support to conduct their CSR projects



Whereas 44% of the interviewed SMEs do not get any help, they are still not afraid of implementing CSR projects.

In order to carry on such projects, these companies must be convinced that CSR is relevant to answer their needs.

The fact that more than 40% of SMEs implement such projects without any help proves that CSR is seen by

many SMEs as a source of profits on its own and not

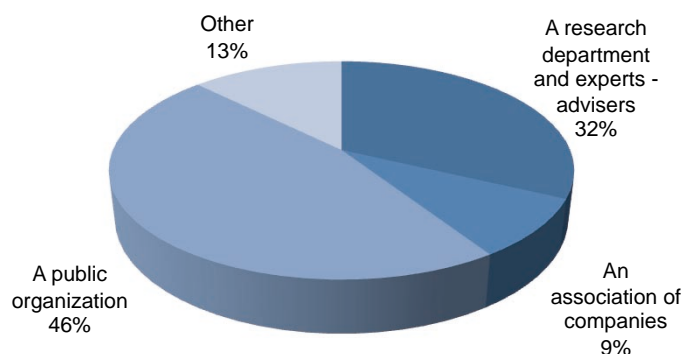
Graph 7 – "More than half of the MED SMEs are not helped for the implementation of their CSR policy"

thanks to public subvention.

5.3.2 Public or private help?

If the MED SMEs are helped, they find a support through the public organisations

Support comes mainly from public organization



When the interviewed MED SMEs need help, public organisations are the most willing to give them any support (for 46 out of 100).

The association of companies, such as clusters or trade associations, are the last support MED SMEs

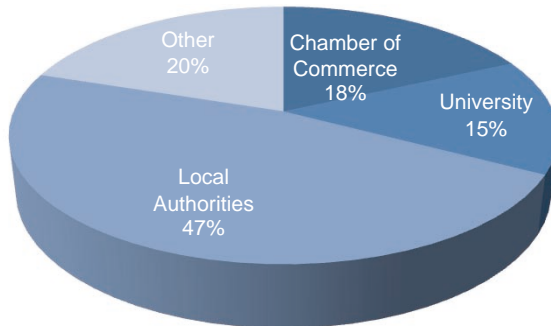
turn to: only 9% of them received support from this kind of actor.

Graph 8 – “Support comes mainly from public organisation”



If the MED SMEs are helped by a public institution, their local authorities support them the most

Local authorities are the most active support



Among the public institutions helping the MED SMEs, the local authorities are the most requested. This is logical in a CSR perspective where it is important to be able to understand the local stakes of the projects, in order to link them to the territory where they are implemented.

Graph 9 – "Local authorities are the most active support"

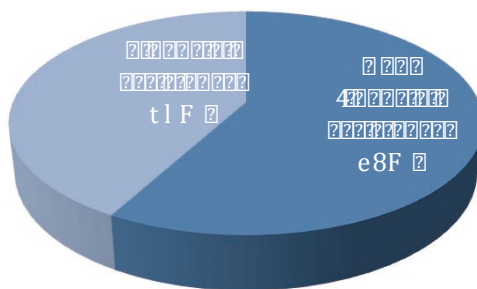
University and Chamber of Commerce are perhaps not well identified by the MED SMEs as a potential support in the field of CSR. This could be an interesting policy to make them more visible to SMEs.

Among the "Other" types of support quoted, we primarily find governmental support, through ministry or specific agencies.

5.3.3 Non-financial assistance

The type of support granted to the MED SMEs is mainly non-financial

Support is mainly non financial



Among the supported MED SMEs, 58% of them get a non-financial assistance. This information is capital for the institutions: they can help SMEs implement CSR projects without paying.

The repartition between financial and non-financial assistance is however dependent of the origin of the support. Public organisations provide financial assistance for 53.5% of answerers, whereas

Universities provide mainly non-financial assistance (75% of answerers)¹¹.

Graph 10 – "Support is mainly non financial"

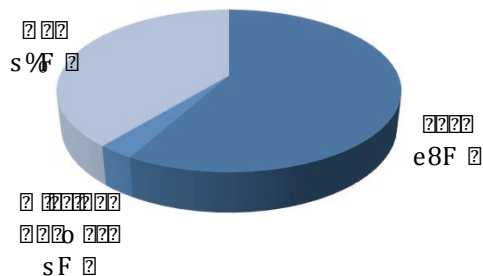
¹¹ Cf. Annexe 3 "No link between evaluation"

5.4. How do they consider the results of their CSR projects?

5.4.1 Evaluation

MED SMEs evaluate their CSR projects...

A majority of SMEs evaluate their CSR policies



Graph 11 – “A majority of SMEs evaluate their CSR policies”

According to the MED SMEs, most of them evaluate their CSR policy (58% of the interviewed SMEs).

However, among those who evaluate their CSR policies, most of them do it with soft managerial tools. Therefore, they have limited quantitative figures to compare the effectiveness of their projects.

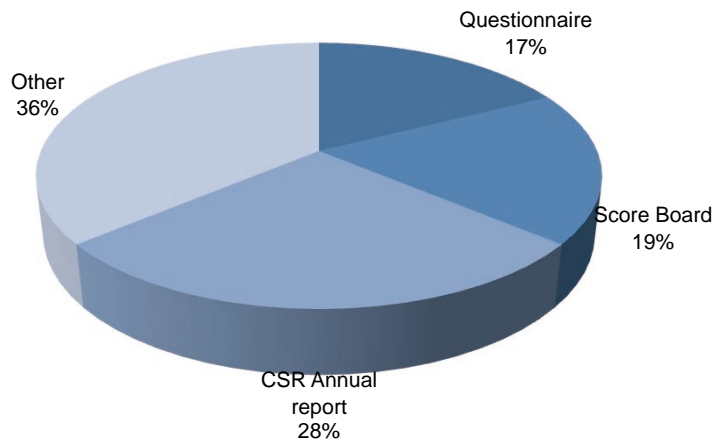
Companies obviously want to know the impact of such a policy. However 39% do not do any evaluation. It means that they did not link their CSR projects to any measurable indicator, not even qualitative measures.

- Another interesting point is that the presence of evaluation is absolutely not linked to the fact that SMEs received support or not, neither to the type of support they received, when they did¹². Therefore it means that organisations that give assistance or money to companies for implementing CSR projects have no return on the effectiveness of the projects they helped to develop. This is absolutely contrary to the new public management rules, which clearly indicated that projects directly or indirectly run by national or local administrations or by associations should be treated similarly to other business projects, i.e. with objective measures to know what should be pursued, cancelled or modified. Organisations have there a strong possibility to make things change by requesting success measurement from SMEs they help, and by supporting companies to implement the evaluation tool that would make sense in their particular context.

¹² Cf. Annexe 4 “Who provides financial support?”

... but different means are used

A diversity of tools is used for evaluation



Graph 12 – "A diversity of tools is used for evaluation"

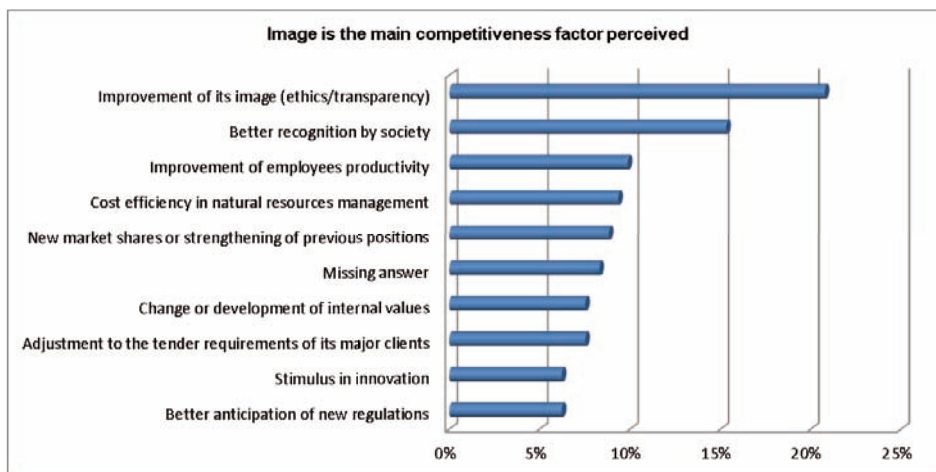
Among the MED SMEs, which evaluate the impact of their CSR policy, there is not a specific tool to do it. They choose it according to their habits and the means at their disposal.

There is therefore a need to provide a common tool, which is able to evaluate the impact of CSR project.

Here again it is a powerful way for organisations to work on CSR by developing a common background to provide their grantees with. If they have similar practices (but with some easy adaptation to sector), it will permit organisations to build significant benchmark and, as a consequence, to better choose good practices and provide success comparisons. This will also help them in the future to better choose the kind of projects and SMEs they want to support.

5.4.2 Impact

According to the interviewed SMEs, the first impact of their CSR actions is the improvement of the image of the company



Graph 13 – “Image is the main competitiveness factor perceived”

About 21 out of the 100 interviewed SMEs answer at least once (out of 3) that their CSR policy improves the image of their company.

About 15 out of the 100 interviewed SMEs answer at least once (out of 3) that their CSR policy improves the recognition of their company by the society.

The link between reputation and CSR is the most predominant one in SMEs' minds. Most of them do not naturally associate CSR with other strategic goals of their company.

When companies quote the type of CSR projects that they conduct, they first quote those having:

- a high impact on image;
- a high impact on recognition by society.

However, when they are asked to quote other CSR projects they have been conducted, those having a positive impact on loyalty, internal values and strings to the community are as much quoted. It could be concluded that companies are the most proud or aware of the CSR projects that give them a strong image outside, before those who give them better relationships with their employees or with the local community. The reputation of a company is something very vague and difficult to measure. As SMEs have difficulties to measure the precise impact of their CSR project's on their employees' behaviour or on their financial performance, they tend to believe that CSR is above all useful for their image

In terms of competitiveness, and based on the projects quoted by the interviewed companies, we see that on average, the conclude CSR projects have a rather strong positive impact on image (37% of the quoted projects) and loyalty (33% of them).

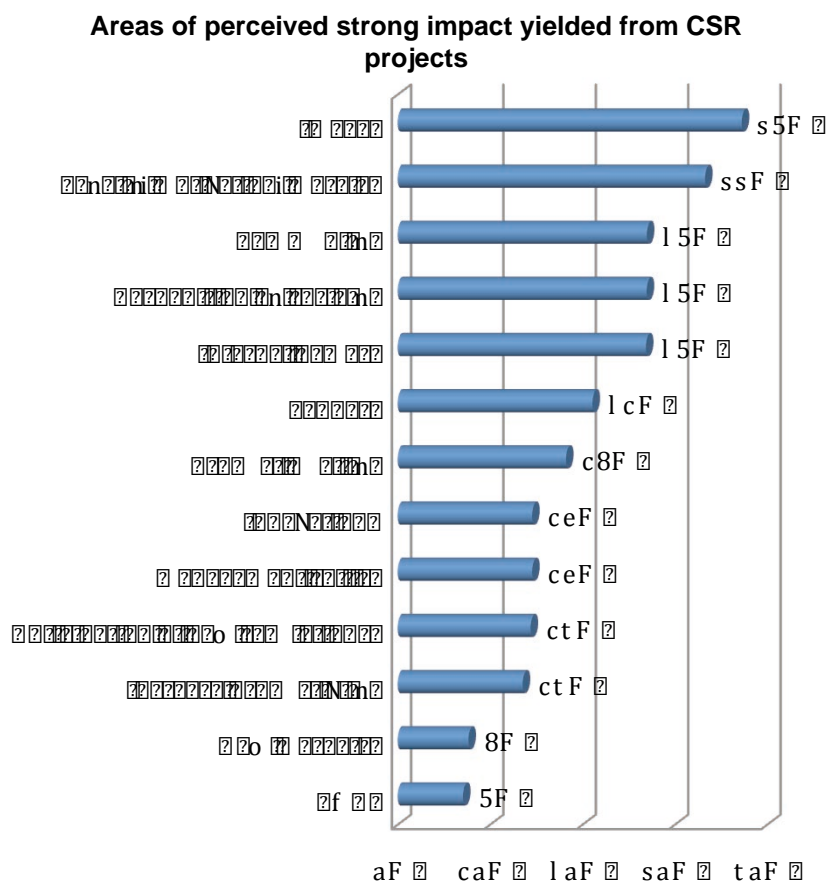
- *Except in Toscana (concerning 15% of companies), most of firms do not link CSR with a stimulus in innovation. It is also very counter-intuitive but Mediterranean SMEs do not do CSR in order to anticipate new regulations. Those two aspects, which are keys for competitiveness, are not well perceived by SMEs as a consequence for implementing CSR projects.*



Companies see an impact on image and morale, but they do not see how CSR help them gain new markets and improve R&D

On a global scale, when we ask companies where their CSR projects had an impact, most of them were able to see a strong positive impact on their external reputation (image) and on their internal reputation (with a translation in terms of loyalty, motivation and morale.) Such answers reveal that MED SMEs are not very mature in terms of CSR. They only see the less tangible aspect of CSR, maybe because they do not evaluate it properly or also maybe because they do not implement the good project for them.

Such results reveal that MED SMEs effectively need assistance in the selection, implementation and evaluation of CSR projects, in order to make them deeply benefit from what proper CSR can do.



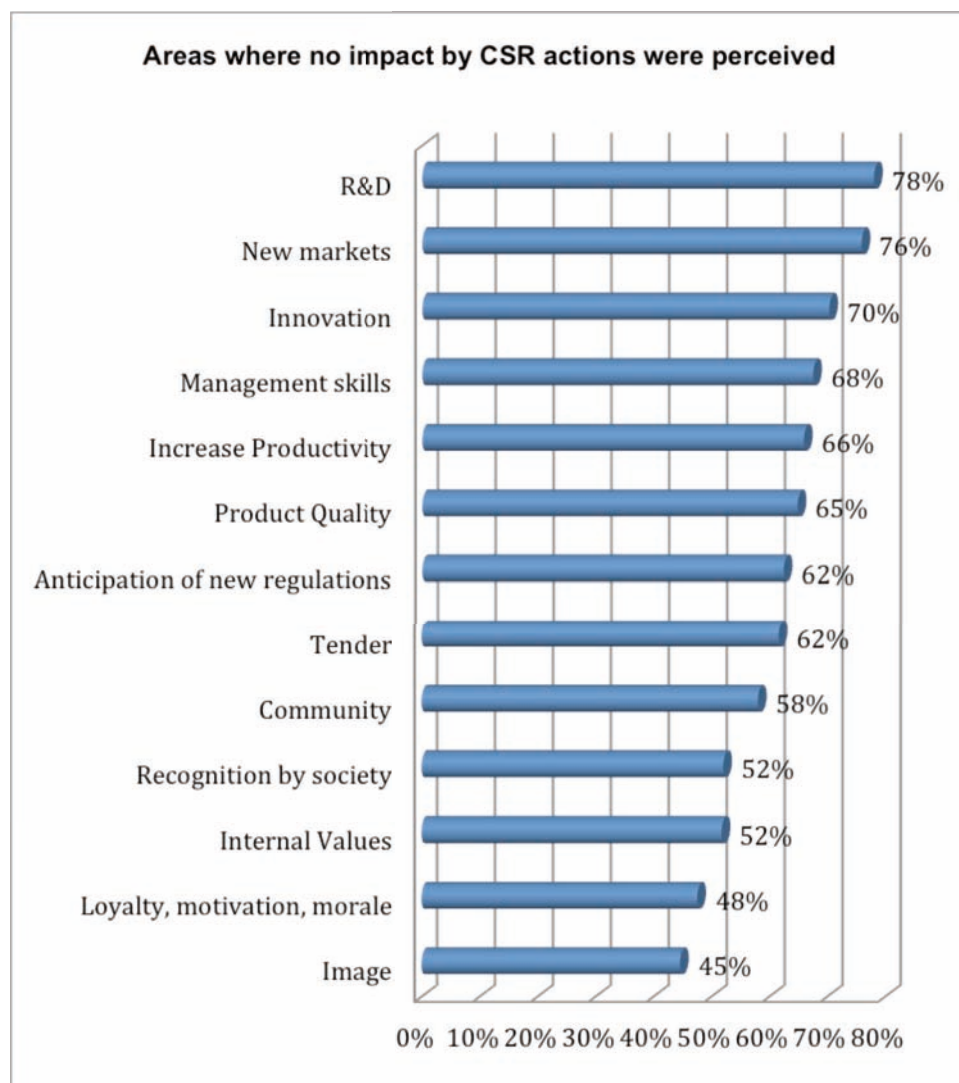
Graph 14 – "Areas of perceived strong impact yielded from CSR projects"

The data were issued from the "good practices" in the questionnaires. Answers have been weighted according to existing answers (i.e. some companies gave no examples of CSR projects or only 1 or 2 out of 3.)

When companies were asked where they do not see any impact of the CSR actions they implemented, we found a similar repartition at the edges, i.e.:

- Most of them saw no contribution in terms of "Participation on R&D markets" and "Entrance in new markets";
- Few considered that it had no impact on "Improvement of the image" and on "Increase of commitment loyalty, motivation, morale";
- However, the order among the other propositions was slightly different.

Again it could be noted that among the three CSR best practices they quoted when they were interviewed, none of them gave a project that allowed them to gain access to new markets or that permitted a strong impact on R&D.



Graph 15 – "Areas where no impact from CSR actions was perceived"

Moreover the contribution of a precise type of CSR actions on different dimensions of competitiveness of a firm can be drawn.

For each type of CSR actions, a scoring table is pictured.

17 types of CSR action were listed:

- Labour assurance programmes;
- Safeguarding health of employees;
- Training activities;
- Equal opportunities programmes;
- Adoption of environmental MGMT systems, standards and regulations;
- Environmentally friendly production processes;
- Ethical codes of conduct;
- Sourcing ethics;
- Environmental protection;
- Charity;
- Initiatives in favour of local communities;
- Fair trade;
- Suppliers selection;
- Adoption of benefits for employees;
- Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products;
- Editing of social/sustainability and/or environmental annual reports;
- Adhesion to specific ethical/environmental international initiatives.

For each type of CSR actions, the interviewer asked to companies how, on a 5 points scale, one specific CSR action contributed to competitiveness dimensions of the company.

13 competitiveness dimensions had to be noted on the 5 points scale. They were the following:

- Improved response to tender requirement of clients;
- Improvement of the image;
- Modification of internal values;

- Better recognition by society;
- Anticipation of new regulations;
- Increase of commitment loyalty, motivation, morale;
- Strengthening of community ties;
- Increase of productivity;
- Improvement of management skills;
- Participation on R&D projects;
- Entrance in new markets;
- Increase in innovation.

The maximal notation – and the better one - on the competitiveness is 5, because the contribution of an action to one competitiveness dimension is included between 1 (no contribution) and 5 (maximal contribution).

For instance if the contribution of "Labour assurance programmes" to the improvement of the image is 3.43, it means that the average of the notation given by the interviewed SMEs is 3.43 out of 5.

Moreover an average of the notation of the 13 competitiveness dimension was done to get the "total".

Contribution of "Labour assurance programmes" CSR action to different dimension of firms' competitiveness

The contribution of "Labour assurance programs" CSR action to different dimension of firms' competitiveness	
Increase of commitment loyalty, motivation, morale	3,75
Improvement of the image	3,43
Modification of internal values	3,35
Better recognition by society	3,33
Increase of productivity	3,16
Anticipation of new regulations	3,14
Strengthening of community ties	3,03
Improvement of management skills	2,95
Increase in innovation	2,73
Improvement of product quality	2,69
Improved response to tender requirement of clients	2,49
Entrance in new markets	2,24
Participation on R&D projects	2,13
TOTAL	3,01

Table 1 – "The contribution of 'Labour assurance programmes' CSR action to different dimensions of firms' competitiveness"

CSR actions « Labour assurance programmes » contribute on average to the global competitiveness of the company for a factor 3.01/ 5.

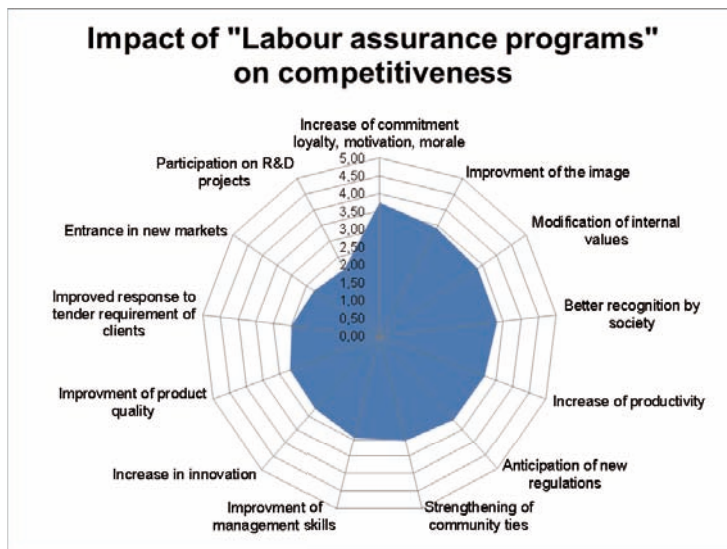
Competitiveness dimensions to which this action contributes the most are:

- Increase of commitment loyalty, motivation, morale (3.75);
- Improvement of the image (3.43);
- Modification of internal values (3.35).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (2.13);
- Entrance in new markets (2.24);
- Improved response to tender requirement of clients (2.49).

These data could be pictured as follow:



Graph 16 – "Impact of 'Labour assurance programmes' on competitiveness"

Such results on competitiveness seem aligned with labour assurance programmes. As it primarily concerns employees, it has a direct impact on commitment and internal values.

- ✓ As seen in the academic review, the questionnaires tend to prove as well that SMEs are pretty active on CSR actions for employees and labour assurance programmes are well developed.

Contribution of "Safeguarding health of employees" CSR action to different dimension of firms' competitiveness

The contribution of "Safeguarding health of employees" CSR action to different dimension of firms' competitiveness	
Increase of commitment loyalty, motivation, morale	3,46
Modification of internal values	3,24
Anticipation of new regulations	3,19
Improvement of the image	3,09
Increase of productivity	3,03
Better recognition by society	2,84
Improvement of management skills	2,57
Improvement of product quality	2,48
Strengthening of community ties	2,36
Improved response to tender requirement of clients	2,12
Increase in innovation	2,00
Entrance in new markets	1,62
Participation on R&D projects	1,62
TOTAL	2,63

CSR actions « Safeguarding health of employees » contribute on average to the global competitiveness of the company for a factor 2.63/ 5.

Competitiveness dimensions to which this action contributes the most are:

- Increase of commitment loyalty, motivation, morale (3.46);
- Modification of internal values (3.24);
- Anticipation of new regulations (3.19).

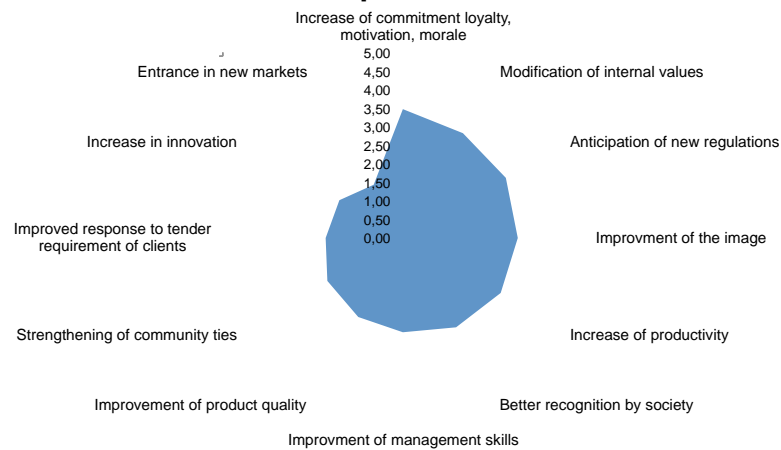
Table 2 – "The contribution of 'Safeguarding health of employees' CSR action to different dimensions of firms' competitiveness"

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (1.62);
- Entrance in new markets (1.62);
- Increase in innovation (2.00).

These data could be pictured as follow:

Impact of "Safeguarding health of employees" on competitiveness



Graph 17 – "Impact of "Safeguarding health of employees" on competitiveness"

"Safeguarding health of employees" is, according to respondents, the penultimate action to impact their competitiveness, before charity.

- ✓ Again, we can notice that they consider such action as a constraint that could lead to better social relations, and not as an opportunity to create something better, i.e. an impact on R&D and innovation.

Contribution of "Training activities" CSR action to different dimension of firms' competitiveness

The contribution of "Training activities" CSR action to different dimension of firms' competitiveness	
Improvement of product quality	3,60
Increase of productivity	3,57
Increase of commitment loyalty, motivation, morale	3,51
Improvement of management skills	3,48
Modification of internal values	3,11
Improved response to tender requirement of clients	3,03
Improvement of the image	2,99
Better recognition by society	2,78
Increase in innovation	2,71
Anticipation of new regulations	2,69
Participation on R&D projects	2,52
Entrance in new markets	2,31
Strengthening of community ties	2,25
TOTAL	3,00

Table 3 – "The contribution of 'Training activities' CSR action to different dimension of firms' competitiveness"

CSR actions « Training activities » contribute on average to the global competitiveness of the company for a factor 3.00/ 5.

Competitiveness dimensions to which this action contributes the most are:

- Improvement of product quality (3.60);
- Increase of productivity (3.57);
- Increase of commitment loyalty, motivation, morale (3.51).

Competitiveness dimensions to which this action contributes the less are:

- Strengthening of community ties (2.25);
- Entrance in new markets (2.31);
- Participation on R&D projects (2.52).

These data could be pictured as follow:



Graph 18 – "Impact of training activities' on competitiveness"

Training activities is one of the rare CSR types of actions where R&D projects do not rank last (they last antepenultimate).

Training is seen as an impactful type of CSR project, as it creates positive consequences both on:

- economic aspects (product quality, productivity);
- social aspects (loyalty, management, values).

✓ This result is very aligned with the open questions that saw entrepreneurs asking for more training on CSR for themselves or their employees.

Contribution of "Equal opportunities programmes" CSR action to different dimension of firms' competitiveness

The contribution of "Equal opportunities programs" CSR action to different dimension of firms' competitiveness	
Increase of commitment loyalty, motivation, morale	3,57
Improvement of the image	3,47
Modification of internal values	3,24
Better recognition by society	3,15
Increase of productivity	2,85
Improvement of management skills	2,72
Strengthening of community ties	2,70
Anticipation of new regulations	2,68
Improvement of product quality	2,60
Improved response to tender requirement of clients	2,29
Increase in innovation	2,05
Entrance in new markets	1,69
Participation on R&D projects	1,63
TOTAL	2,72

CSR actions « Equal opportunities programmes » contribute on average to the global competitiveness of the company for a factor 2.72/ 5.

Competitiveness dimensions to which this action contributes the most are:

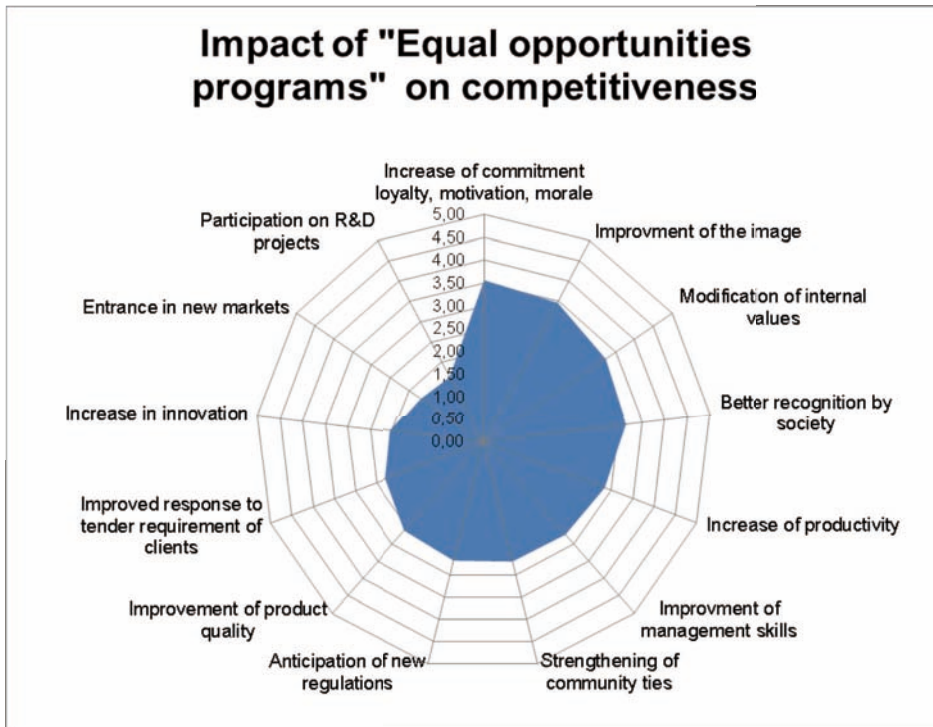
- Increase of commitment loyalty, motivation, morale (3.57);
- Improvement of the image (3.47);
- Modification of internal values (3.24).

Table 4 – "The contribution of 'Equal opportunities programmes' CSR action to different dimensions of firms' competitiveness"

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (1.63);
- Entrance in new markets (1.69);
- Increase in innovation (2.05).

These data could be pictured as follow:



The answers are rather significant and aligned with theoretical observations on the consequences of equal opportunities programmes.

Graph 19 – "Impact of 'Equal opportunities programmes' on competitiveness"

- ✓ Equal opportunities programmes are seen both as a communication tool towards the internal stakeholders (bringing loyalty, morale, changing values) and the external stakeholders (improving image).

Contribution of "Adoption of environmental MGMT systems, standards and regulations" CSR action to different dimension of firms' competitiveness

The contribution of "Adoption of environmental MGMT systems, standards and regulations" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,70
Anticipation of new regulations	3,58
Modification of internal values	3,38
Better recognition by society	3,34
Improvement of product quality	3,21
Improvement of management skills	3,20
Increase of commitment loyalty, motivation, morale	3,18
Improved response to tender requirement of clients	3,15
Increase in innovation	3,07
Increase of productivity	2,84
Strengthening of community ties	2,76
Participation on R&D projects	2,73
Entrance in new markets	2,44
TOTAL	3,14

Table 5 – "The contribution of 'Adoption of environmental MGMT systems, standards and regulations' CSR action to different dimensions of firms' competitiveness"

CSR actions « Adoption of environmental MGMT systems, standards and regulations » contribute on average to the global competitiveness of the company for a factor 3.14 / 5.

Competitiveness dimensions to which this action contributes the most are:

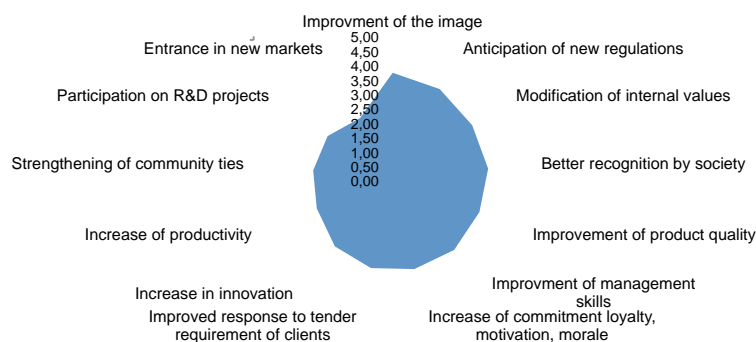
- Improvement of the image (3.70);
- Anticipation of new regulations (3.58);
- Modification of internal values (3.24).

Competitiveness dimensions to which this action contributes the less are:

- Entrance in new markets (2.44);
- Participation on R&D projects (2.73);
- Strengthening of community ties (2.76).

These data could be pictured as follow:

Impact of "Adoption of environmental MGMT systems, standards and regulations" on competitiveness



Graph 20 – "Impact of environmental MGMT systems, standards and regulations" on competitiveness"

We found these results particularly striking. The respondents perceive environmental management systems, standards and regulations as the most impactful CSR type of actions. They value methods and evaluation tools in order to conduct CSR projects. This is a reinforcement of the need they tell about lacking tools to implement their projects.

At the same time, they do not see such systems, standards and regulation as a way to produce more and better (which is usually what they are used for), but as a tool to improve image! We can conclude from this, and from the explanations given later, that Mediterranean SMEs might need other kinds of systems, standards and regulations, because those that they are currently using, do not work on what they are made for, i.e. productivity and quality.

- ✓ The study shows that MED SMEs do not gain full advantage of environmental management system, and that there is even a risk that they misused them. There is, therefore, a need for tools better adapted to the situation of SMEs, or they would at least need training to better use the systems and standards that they implemented so far.

Contribution of "Environmentally friendly production processes" CSR action to different dimension of firms' competitiveness

The contribution of "Environmentally friendly production processes" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,78
Anticipation of new regulations	3,43
Better recognition by society	3,37
Modification of internal values	3,35
Increase in innovation	3,08
Improved response to tender requirement of clients	3,07
Increase of commitment loyalty, motivation, morale	3,05
Improvement of product quality	3,03
Improvement of management skills	2,83
Strengthening of community ties	2,80
Participation on R&D projects	2,72
Entrance in new markets	2,65
Increase of productivity	2,62
TOTAL	3,07

CSR actions "Environmentally friendly production processes" contribute on average to the global competitiveness of the company for a factor 3.07 / 5.

Table 6 - "The contribution of 'Environmentally friendly production processes' CSR action to different dimensions of firms' competitiveness"

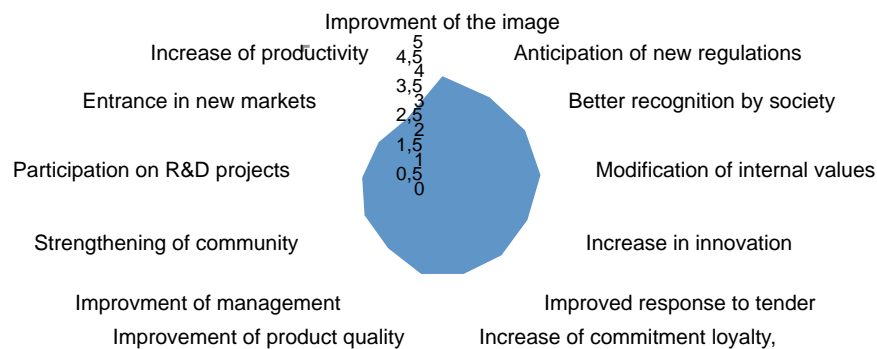
Competitiveness dimensions to which this action contributes the most are:

- Improvement of the image (3.78);
- Anticipation of new regulations (3.43);
- Better recognition by society (3.37).

Competitiveness dimensions to which this action contributes the less are:

- Increase of productivity (2.62);
- Entrance in new markets (2.65);
- Participation on R&D projects (2.72).

Impact of "Environmentally friendly production processes" on competitiveness



Graph 21 – "Impact of 'Environmentally friendly production processes' on competitiveness"

Environmentally friendly production processes are perceived as a constraint, decreasing productivity! When we know that such environment projects should usually be designed in order to consume less, the productivity should, on the opposite, be the first positive impact to be seen, unless the processes applied are not the best suited for the company in question.

- ✓ We could assume that MED SMEs do not apply properly environmentally friendly production, and that they therefore need either training to improve their changes or tools to better monitor what they save in terms of raw product. The Responsible Med project should focus on the environmental projects, which do not seem to be as well conducted as other CSR projects by MED SMEs.

Contribution of "Ethical codes of conduct" CSR action to different dimension of firms' competitiveness

The contribution of "Ethical codes of conduct" CSR action to different dimension of firms' competitiveness	
Modification of internal values	3,66
Increase of commitment loyalty, motivation, morale	3,61
Improvement of the image	3,57
Better recognition by society	3,38
Improved response to tender requirement of clients	3,04
Increase of productivity	2,80
Improvement of management skills	2,77
Strengthening of community ties	2,74
Improvement of product quality	2,66
Anticipation of new regulations	2,63
Increase in innovation	2,07
Entrance in new markets	2,04
Participation on R&D projects	1,81
TOTAL	2,89

CSR actions "Ethical codes of conduct" contribute on average to the global competitiveness of the company for a factor 2.89 / 5.

Table 7 – "The contribution of 'Ethical codes of conduct' CSR action to different dimension of firms' competitiveness"

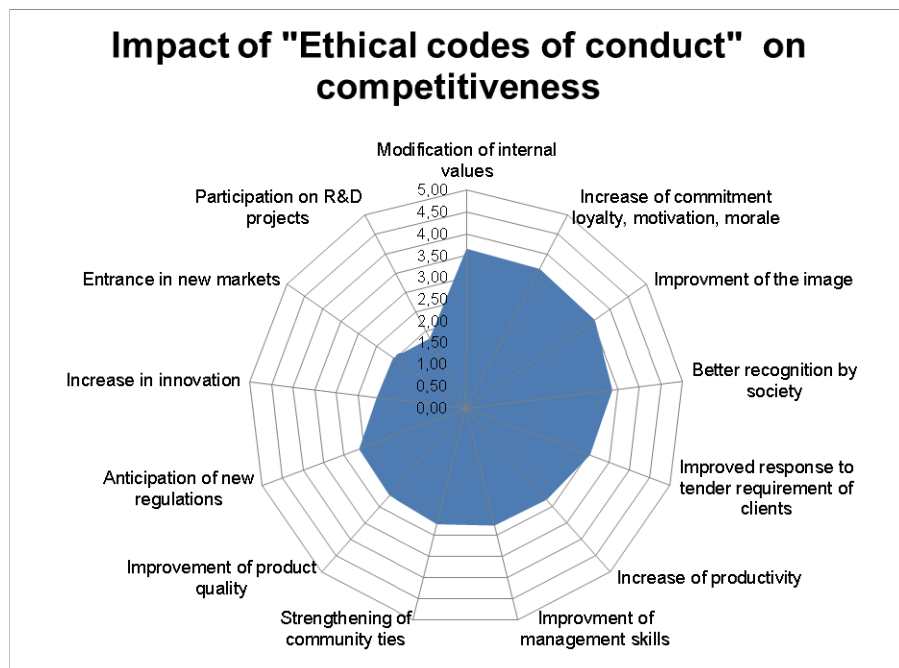
Competitiveness dimensions to which this action contributes the most are:

- Modification of internal values (3.66);
- Increase of commitment loyalty, motivation, morale (3.61);
- Improvement of the image (3.57).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (1.81).
- Entrance in new markets (2.04);
- Increase in innovation (2.07).

These data could be pictured as follow:



Only in the Attica region do the Ethical codes of conduct have a strong impact on competitiveness. In the other Mediterranean regions, the impact was rather low. It is however striking to see that the entrance in new markets is not perceived at all as a positive impact when implementing ethical code of conducts, while it is usually asked by companies to tier 1 or tier 2 suppliers in their own sustainable purchasing policies.

Graph 22 – "Impact of 'Ethical codes of conduct' on competitiveness"

- ✓ MED SMEs, except in the region Attica, do not use the full positive impacts of Ethical codes of conduct. The tool developed by the Responsible Med project should give insights to company in order for them to efficiently use such codes, especially to easily communicate them to their customers.

Contribution of "Sourcing ethics" CSR action to different dimension of firms' competitiveness

CSR actions "Sourcing ethics" contribute on average to the global competitiveness of the company for a factor 2.68 / 5.

The contribution of "Sourcing ethics" CSR action to different dimension of firms' competitiveness	
Better recognition by society	3,43
Increase of commitment loyalty, motivation, morale	3,31
Improvement of the image	3,30
Modification of internal values	3,26
Anticipation of new regulations	2,59
Improved response to tender requirement of clients	2,58
Increase of productivity	2,57
Strengthening of community ties	2,49
Improvement of product quality	2,49
Improvement of management skills	2,47
Increase in innovation	2,09
Entrance in new markets	1,97
Participation on R&D projects	1,91
TOTAL	2,68

Table 8 - "The contribution of 'Sourcing ethics' CSR action to different dimensions of firms' competitiveness"

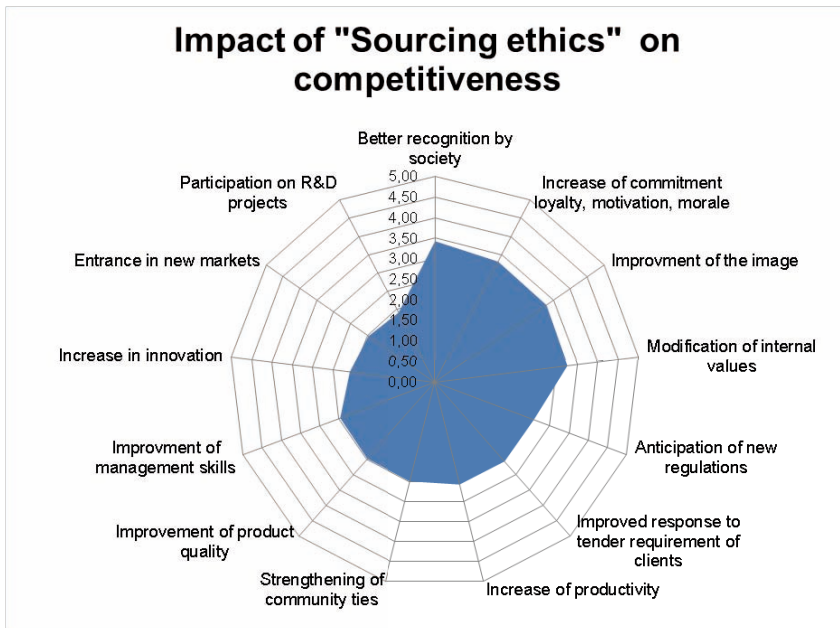
Competitiveness dimensions to which this action contributes the most are:

- Better recognition by society (3.43);
- Increase of commitment loyalty, motivation, morale (3.31);
- Improvement of the image (3.30).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (1.91);
- Entrance in new markets (1.97);
- Increase in innovation (2.09).

These data could be pictured as follow:



Once again, it is very interesting to see that sourcing ethics has, according to interviewed companies, more impact on image and internal stakeholders than on customers. This might be a sign that SMEs have difficulties to market their actions as competitive advantage towards customers and leads.

Graph 23 – "Impact of 'Sourcing ethics' on competitiveness"

- ✓ The Responsible Med tool should help companies to better advertise their CSR projects and the consequences of those on all their stakeholders, especially to customers and leads.

Contribution of "Environmental protection" CSR action to different dimension of firms' competitiveness

The contribution of "Environmental protection" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,80
Better recognition by society	3,49
Modification of internal values	3,29
Anticipation of new regulations	3,18
Increase of commitment loyalty, motivation, morale	3,08
Strengthening of community ties	2,95
Improved response to tender requirement of clients	2,64
Increase in innovation	2,62
Improvement of product quality	2,58
Improvement of management skills	2,56
Increase of productivity	2,43
Participation on R&D projects	2,39
Entrance in new markets	2,31
TOTAL	2,89

CSR actions "Environmental protection" contribute on average to the global competitiveness of the company for a factor 2.89/ 5.

Table 9 – "The contribution of 'Environmental protection' CSR action to different dimensions of firms' competitiveness"

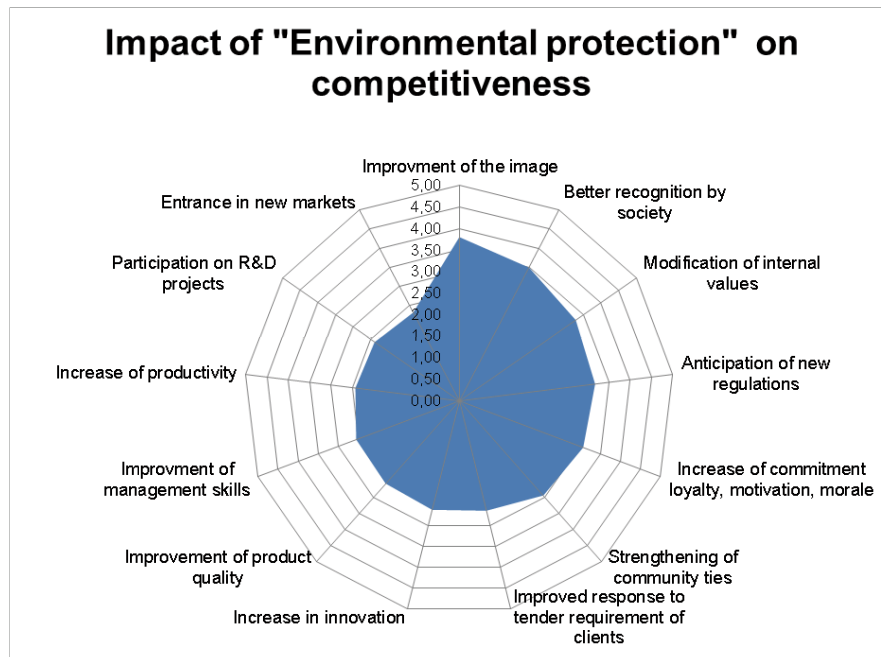
Competitiveness dimensions to which this action contributes the most are:

- Improvement of the image (3.80);
- Better recognition by society (3.49);
- Modification of internal values (3.29).

Competitiveness dimensions to which this action contributes the less are:

- Entrance in new markets (2.31);
- Participation on R&D projects (2.39).
- Increase in productivity (2.43).

These data could be pictured as follow:



Graph 24 – "Impact of 'Environmental protection' on competitiveness"

The protection of the environment seems to be well used by companies (i.e. the increase in competitiveness is seen where it is expected). It enhances their image, helps them have good relationships in the community, but also it helps them anticipate new regulations. However, it does not seem to reveal a strong impact: it is among the least powerful types of corporate social responsibility in terms of competitiveness impact.

- ✓ *If MED SMEs properly conduct Environmental protection projects, they would need support in order to fully benefit from them in terms of competitiveness' improvement.*

Contribution of "Charity" CSR action to different dimension of firms' competitiveness

The contribution of "Charity" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,79
Strengthening of community ties	3,76
Better recognition by society	3,55
Modification of internal values	3,30
Increase of commitment loyalty, motivation, morale	3,12
Improved response to tender requirement of clients	2,15
Increase of productivity	1,83
Anticipation of new regulations	1,62
Improvement of product quality	1,61
Improvement of management skills	1,57
Entrance in new markets	1,57
Participation on R&D projects	1,48
Increase in innovation	1,32
TOTAL	2,50

Table 10 – "The contribution of 'Charity' CSR action to different dimensions of firms' competitiveness"

CSR actions "Charity" contribute on average to the global competitiveness of the company for a factor 2.50 / 5.

Competitiveness dimensions to which this action contributes the most are:

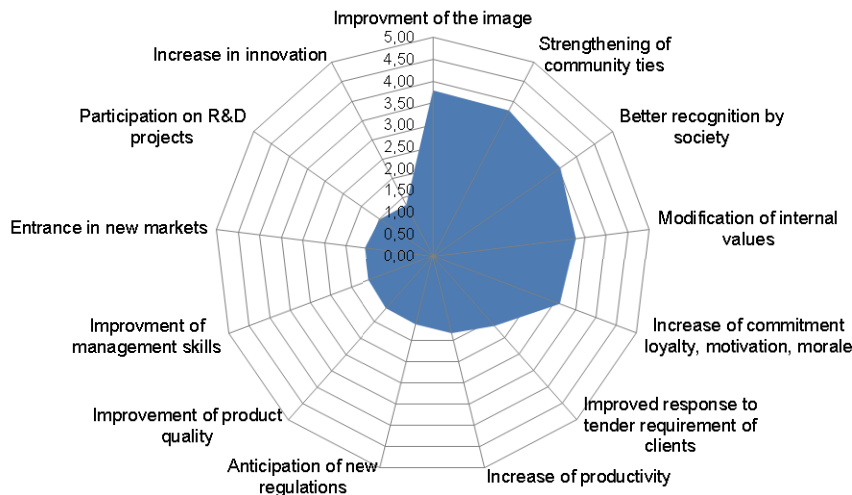
- Improvement of the image (3.79);
- Strengthening of communities ties (3.76);
- Better recognition by society (3.49).

Competitiveness dimensions to which this action contributes the less are:

- Increase in innovation (1.32);
- Participation on R&D projects (1.48);
- Entrance in new markets (1.57).

These data could be pictured as follow:

Impact of "Charity" on competitiveness



Graph 25 – "Impact of 'Charity' on competitiveness"

Charity is the CSR action that has, according to SMEs, the least impact on competitiveness but it mainly works on image and community ties. This is aligned with what is usually seen. However, lots of companies are great examples of possibilities to use charity as a competitive advantage. For MED SMEs, they do not seem to use it this way so far.

- ✓ The tool to be developed by the Responsible Med project should probably not focus on Charity, as it is not perceived by SMEs as bringing much to competitiveness.

Contribution of "Initiatives in favour of local communities" CSR action to different dimension of firms' competitiveness

The contribution of "Initiatives in favour of local communities" CSR action to different dimension of firms' competitiveness	
Strengthening of community ties	3,89
Improvement of the image	3,75
Better recognition by society	3,75
Modification of internal values	3,18
Increase of commitment loyalty, motivation, morale	3,06
Improved response to tender requirement of clients	2,51
Increase of productivity	2,15
Improvement of product quality	1,89
Entrance in new markets	1,83
Increase in innovation	1,79
Improvement of management skills	1,75
Anticipation of new regulations	1,69
Participation on R&D projects	1,51
TOTAL	2,64

CSR actions "Initiatives in favour of local communities" contribute on average to the global competitiveness of the company for a factor 2.64 / 5.

Competitiveness dimensions to which this action contributes the most are:

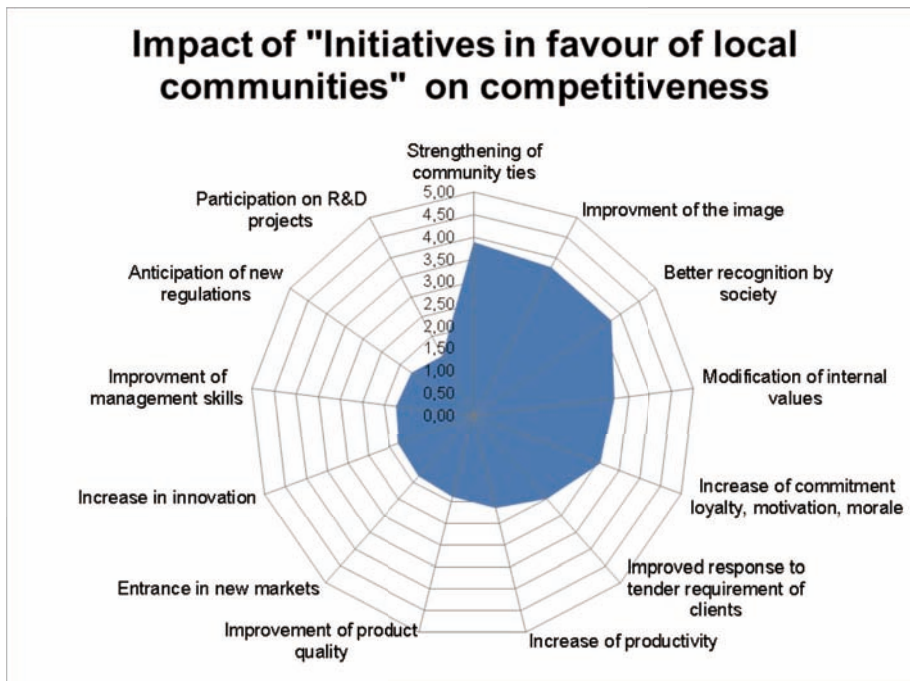
- Strengthening of communities ties (3.89);
- Improvement of the image (3.75);
- Better recognition by society (3.75).

Table 11 – "The contribution of 'Initiatives in favour of local communities' CSR action to different dimensions of firms' competitiveness"

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (1.51);
- Anticipation of new regulations (1.69);
- Improvement of management skills (1.75).

These data could be pictured as follow:



"Initiatives in favour of local communities" have of course impact on external stakeholders and image.

Being close to the community can also be used as a tool to develop new services, addressing better the community's needs – therefore creating innovations. On that aspect it seems that a large majority of companies do not see this aspect at all.

Graph 26 – "Impact of 'Initiatives in favour of local communities' on competitiveness"

- ✓ One of the objectives of the tool developed by Responsible Med partners could be to open up the horizon of SMEs. It should show them and let them monitor all the possible outputs of implementing CSR projects, and not only the most visible.

Contribution of "Fair trade" CSR action to different dimension of firms' competitiveness

The contribution of "Fair trade" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,44
Improved response to tender requirement of clients	3,27
Modification of internal values	3,23
Better recognition by society	3,23
Increase of commitment loyalty, motivation, morale	3,17
Anticipation of new regulations	3,04
Strengthening of community ties	2,93
Increase of productivity	2,89
Entrance in new markets	2,81
Improvement of product quality	2,79
Increase in innovation	2,44
Improvement of management skills	2,39
Participation on R&D projects	2,16
TOTAL	2,93

Table 12 – "The contribution of 'Fair trade' CSR action to different dimensions of firms' competitiveness"

CSR actions "Fair trade" contribute on average to the global competitiveness of the company for a factor 2.93 / 5.

Competitiveness dimensions to which this action contributes the most are:

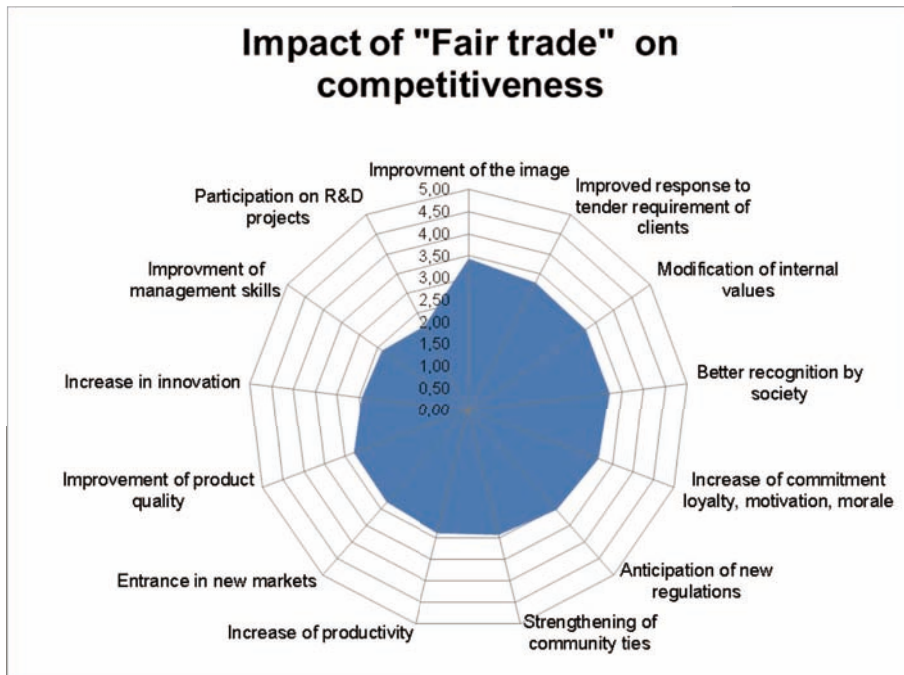
- Improvement of the image (3.44);
- Improved response to tender requirement of clients (3.27);

- Modification of internal values (3.23).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (2.16);
- Improvement of management skills (2.39);
- Increase in innovation (2.44).

These data could be pictured as follow:



Graph 27 – "Impact of 'Fair trade' on competitiveness"

Fair Trade has impact on image, but also on "improved response to tender requirement of clients." European public sourcing, which tends to make public purchasers exemplary by making them prefer organic or fair-trade products, can explain the phenomenon. On that specific case, the result is easily visible; SMEs were able to promptly see where the link between the CSR project and competitiveness is. However, it is key to notice that they do not qualify the impact as especially strong.

- ✓ The Responsible Med tool should help companies to deepen the benefices they obtain from implementing CSR projects. This could be done through efficient communication strategies and tools, and stronger dialogue with stakeholders. On the shelf communication material and guides to engage stakeholders could therefore be helpful.

Contribution of "Suppliers selection" CSR action to different dimension of firms' competitiveness

The contribution of "Suppliers selections" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,42
Improved response to tender requirement of clients	3,23
Improvement of product quality	3,16
Modification of internal values	3,06
Better recognition by society	2,92
Anticipation of new regulations	2,91
Increase of commitment loyalty, motivation, morale	2,89
Improvement of management skills	2,77
Strengthening of community ties	2,66
Increase in innovation	2,56
Increase of productivity	2,50
Entrance in new markets	2,34
Participation on R&D projects	2,32
TOTAL	2,85

CSR actions "Suppliers selection" contribute on average to the global competitiveness of the company for a factor 2.85 / 5.

Competitiveness dimensions to which this action contributes the most are:

- Improvement of the image (3.42);
- Improved response to tender requirement of clients (3.23);

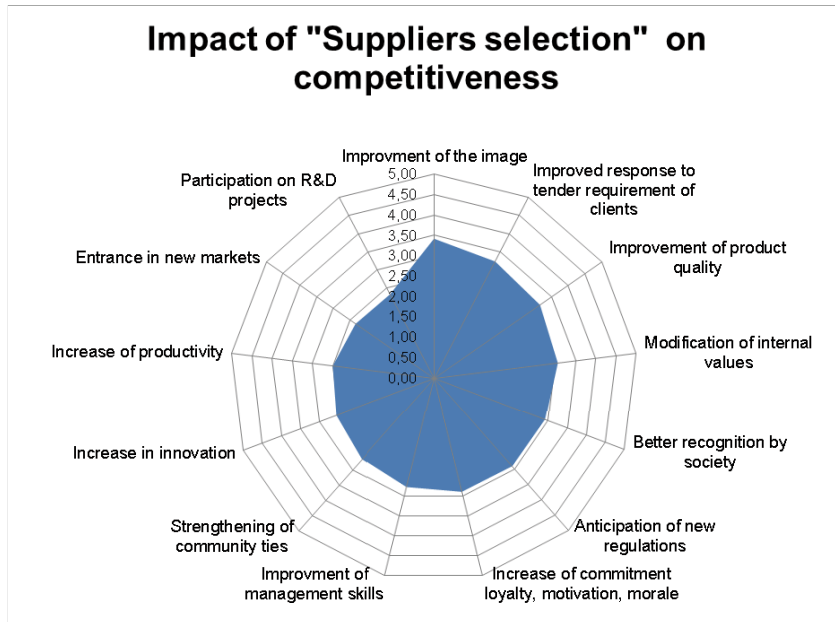
Table 13 – "The contribution of 'Suppliers selection' CSR action to different dimensions of firms' competitiveness"

- Improvement of product quality (3.16).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (2.32);
- Entrance in new markets (2.34);
- Increase in productivity (2.50).

These data could be pictured as follow:



Graph 28 – "Impact of 'Suppliers selection' on competitiveness"

Strangely enough, even though the two topics are very close, SMEs do not rank in the same order the impacts on competitiveness with the tool "suppliers selection" and the latter "sourcing ethics".

Again, SMEs do not see how "suppliers selection" can help them in terms of R&D and innovation. They seem to have difficulties to use CSR as an opportunity to meet other people and develop together new products, i.e. to be innovative.

- ✓ The Responsible Med tool should provide companies with insights to develop innovative opportunities when selecting their suppliers.

Contribution of "Adoption of benefits for employees" CSR action to different dimension of firms' competitiveness

The contribution of "Adoption of benefits for employees" CSR action to different dimension of firms' competitiveness	
Increase of commitment loyalty, motivation, morale	3,87
Increase of productivity	3,59
Modification of internal values	3,58
Improvement of the image	3,37
Better recognition by society	3,04
Improvement of product quality	2,94
Improvement of management skills	2,88
Anticipation of new regulations	2,86
Strengthening of community ties	2,67
Improved response to tender requirement of clients	2,55
Increase in innovation	2,17
Participation on R&D projects	1,88
Entrance in new markets	1,64
TOTAL	2,88

Table 14 – "The contribution of 'Adoption of benefits for employees' CSR action to different dimensions of firms' competitiveness"

- Modification of internal values (3.58).

Competitiveness dimensions to which this action contributes the less are:

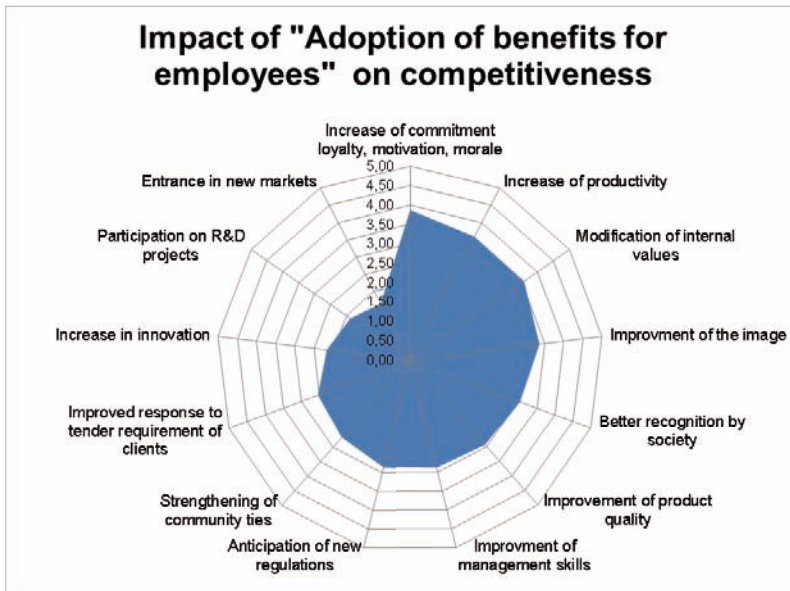
- Entrance in new markets (1.64);
- Participation on R&D projects (1.88);
- Increase in innovation (2.17).

CSR actions "Adoption of benefits for employees" contribute on average to the global competitiveness of the company for a factor 2.85 / 5.

Competitiveness dimensions to which this action contributes the most are:

- Increase of commitment loyalty, motivation, morale (3.87);
- Increase of productivity (3.59);

These data could be pictured as follow:



Graph 29 – "Impact of 'Adoption of benefits for employees' on competitiveness"

It seems that SMEs are able to see the increase of productivity when employees are satisfied with their pay and benefits. It might easily be explained because of the proximity they have with this particular stakeholder.

Therefore, it could be conclude that companies have difficulties to evaluate the true impact of other CSR projects because companies do not have close links with the stakeholders that are the most impacted and who, in return, give more or better to the organisation.

- ✓ SMEs would be helped by having a tool to systemize their dialogue with all stakeholders, in order to better assess their needs and expectations, and to see the results of the offers/solutions the companies offer to them.

Contribution of "Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products" CSR action to different dimension of firms' competitiveness

The contribution of "Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,37
Better recognition by society	3,29
Improved response to tender requirement of clients	3,06
Modification of internal values	3,04
Increase of commitment loyalty, motivation, morale	2,94
Improvement of product quality	2,84
Anticipation of new regulations	2,83
Strengthening of community ties	2,63
Improvement of management skills	2,50
Increase of productivity	2,47
Entrance in new markets	2,43
Increase in innovation	2,43
Participation on R&D projects	2,19
TOTAL	2,79

Table 15 – "The contribution of 'Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products' CSR action to different dimensions of firms' competitiveness"

CSR actions "Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products" contribute on average to the global competitiveness of the company for a factor 2.79 / 5.

Competitiveness dimensions to which this action contributes the most are:

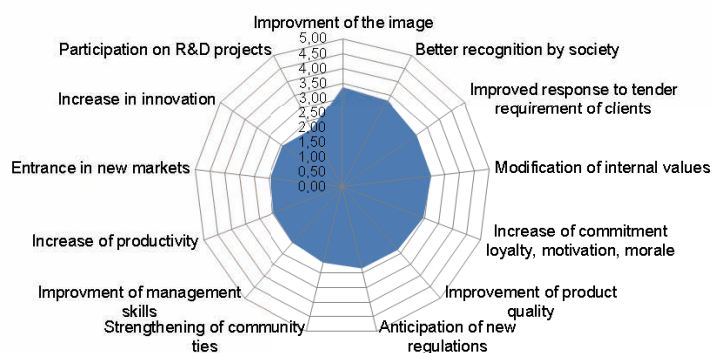
- Improvement of the image (3.37);
- Better recognition by society (3.29);
- Improvement response to tender requirement of clients (3.06).

Competitiveness dimensions to which this action contributes the less are:

- Participation on R&D projects (2.19);
- Increase in innovation (2.43);
- Entrance in new markets (2.43).

These data could be pictured as follow:

Impact of "Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products" on competitiveness



As mentioned before, companies seem to have difficulties to measure the potential of innovation they might have or develop being in contact with others, to their own interest.

Graph 30 – "Impact of 'Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products' on competitiveness"

- ✓ A tool that could help companies realize what their stakeholders bring them in terms of new ideas would be very valuable for firms.

Contribution of "Editing of social/sustainability and/or environmental annual reports" CSR action to different dimension of firms' competitiveness

The contribution of "Editing of social/sustainability and/or environmental annual reports" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,95
Better recognition by society	3,40
Modification of internal values	3,19
Strengthening of community ties	3,12
Increase of commitment loyalty, motivation, morale	3,03
Improved response to tender requirement of clients	2,89
Anticipation of new regulations	2,82
Improvement of management skills	2,58
Participation on R&D projects	2,34
Entrance in new markets	2,26
Increase in innovation	2,23
Increase of productivity	2,19
Improvement of product quality	2,13
TOTAL	2,81

Table 16 – "The contribution of 'Editing of social/sustainability and/or environmental annual reports' CSR action to different dimensions of firms' competitiveness"

CSR actions "Editing of social/sustainability and/or environmental annual reports" contribute on average to the global competitiveness of the company for a factor 2.81 / 5.

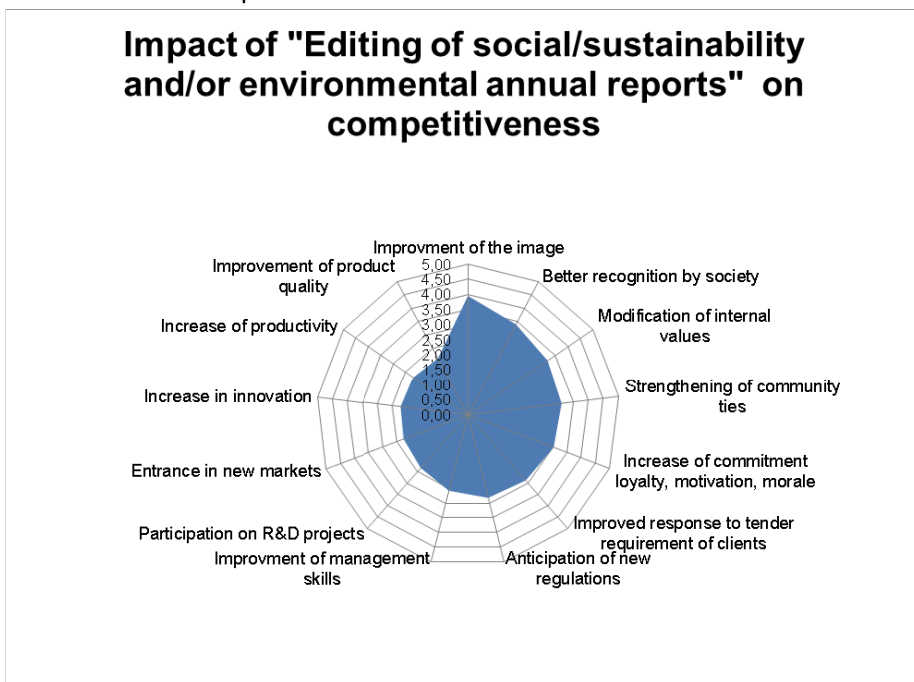
Competitiveness dimensions to which this action contributes the most are:

- Improvement of the image (3.95);
- Better recognition by society (3.40);
- Modification of internal values (3.19).

Competitiveness dimensions to which this action contributes the less are:

- Improvement of product quality (2.13);
- Increase of productivity (2.19);
- Increase in innovation (2.23).

These data could be pictured as follow:



Companies consider environmental and social reporting primarily as a way to improve image. Unfortunately they do not see it that much as a way to increase quality, productivity and innovation – even if it measuring for reporting would make them aware of data that should led them to change.

Graph 31 – "Impact of 'Editing of social/sustainability and/or environmental annual reports' on competitiveness"

- ✓ The Responsible Med tool should help companies make reports easily, with the ability to quantitatively measure their inputs and outputs, in order to see the impacts on quality and productivity.

Contribution of "Adhesion to specific ethical/environmental international initiatives" CSR action to different dimension of firms' competitiveness

The contribution of "Adhesion to specific ethical/environmental international initiatives" CSR action to different dimension of firms' competitiveness	
Improvement of the image	3,87
Modification of internal values	3,42
Better recognition by society	3,40
Anticipation of new regulations	3,24
Improved response to tender requirement of clients	3,00
Increase of commitment loyalty, motivation, morale	2,97
Strengthening of community ties	2,92
Improvement of management skills	2,87
Increase in innovation	2,66
Improvement of product quality	2,54
Increase of productivity	2,45
Participation on R&D projects	2,43
Entrance in new markets	2,25
TOTAL	2,93

Table 17 – "The contribution of 'Adhesion to specific ethical/environmental international initiatives' CSR action to different dimensions of firms' competitiveness"

CSR actions "Adhesion to specific ethical/environmental international initiatives" contribute on average to the global competitiveness of the company for a factor 2.93 / 5.

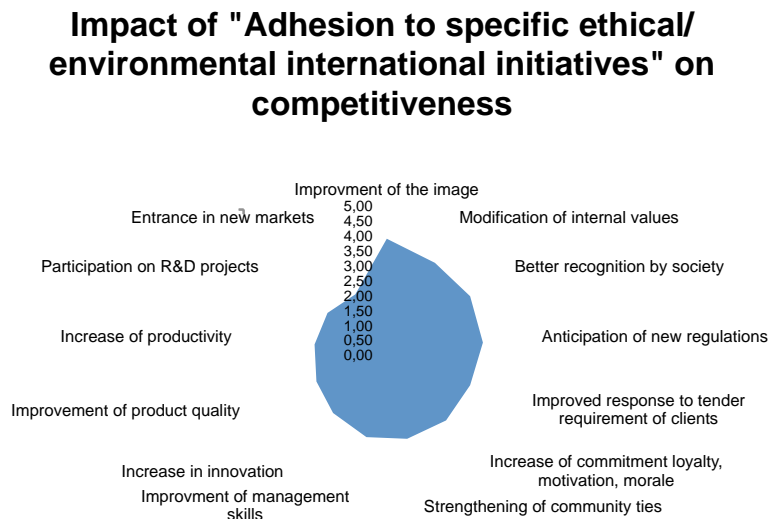
Competitiveness dimensions to which this action contributes the most are:

- Improvement of the image (3.87);
- Modification of internal values (3.42);
- Better recognition by society (3.40).

Competitiveness dimensions to which this action contributes the less are:

- Entrance in new markets (2.25);
- Participation on R&D projects (2.43);
- Increase of productivity (2.45).

These data could be pictured as follow:



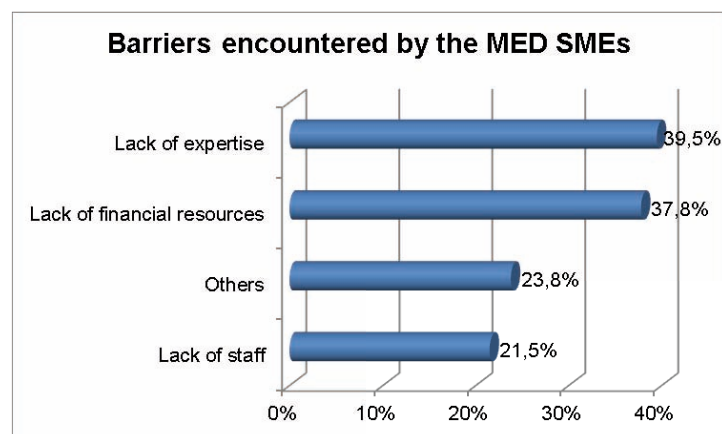
Graph 32 – "Impact of 'Adhesion to specific ethical/environmental international initiatives' on competitiveness"

Adhesions to specific ethic or environmental international standards do not help Mediterranean companies enter new markets (whereas it is proven to be the case in emerging countries). However, it seems that it definitely has a strong impact on reputation and internal stakeholders. Strangely enough, companies see more impact on innovation through such standards than through environmental management or reporting.

- ✓ Organisations can support companies at better identifying where their CSR projects can have impacts on. Training and information could play this role.

5.4. According to SMEs, what will help them build more and better CSR projects?

The main barrier encountered by the MED SMEs in the implementation of a CSR policy is the lack of expertise



Graph 33 – "Barriers encountered by the MED SMEs"

When MED SMEs want to implement CSR policy, the main barrier is the lack of expertise according to 39.5% of them. There is a link with the fact that they do not absolutely need a financial support (cf.5.3.3 – Non-financial assistance) but would rather other types of support such as conferences, workshops,...

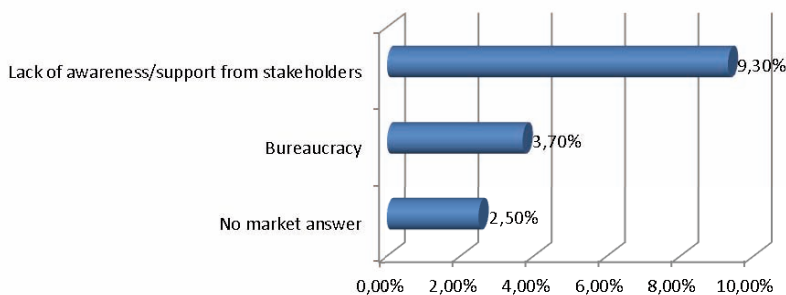
The need is then both financial and on the content to develop CSR actions among SMEs.

Nevertheless the lack of financial resources is quoted by 37.8 MED SMEs out of 100.

From this result we can conclude that training and support in terms of competences would be the most valuable to companies trying to implement CSR projects. If money is also an issue, we saw before that more than half of companies implement CSR projects without receiving any financial support. However, without money and without internal or external capabilities, they would not be able to implement CSR projects, and even less CSR projects that are meaningful and impactful.

There are no relevant differences between countries. The barriers are nearly the same everywhere on the Mediterranean coast¹³.

"Others" means mainly a lack of awareness or support from stakeholders



Graph 34 – "Others' means mainly a lack of awareness or support from stakeholder"

The answers given by companies who quoted "Others" could be categorized as follow:

The lack of support from external and internal stakeholders is a true problem for SMEs. CSR is not yet the norm and they are perceived as extravagant or risky managers, when they want to implement CSR projects.

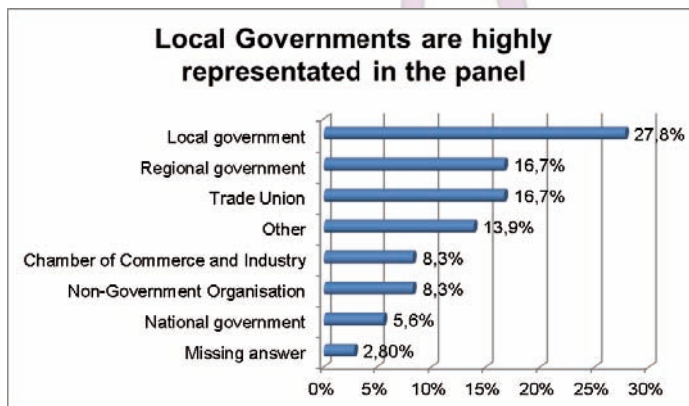
The only way to help them on that topic is to continue global education on sustainable development and corporate social responsibility (at economic and politic levels), while also providing training to everyone in the organisation (not only executives and managers.)

¹³ Cf. Annexe 7 – "Barriers per country"

6. Support for CSR Projects in the MED area: who does support MED SMEs on CSR and how?

6.1. Who does support CSR in the Mediterranean countries?

The organisations involved in Responsible Med are mainly local governments



Graph 35 – "Local Governments are highly represented in the panel"

Whereas national governments (5.6%), non-government organisations and Chamber of Commerce and Industry are less represented in this study (8.3% both of them), local governments nearly represent a third of the interviewed organisations (27.8%)

- ✓ CSR is relevant for SMEs if it is implemented in a definite territory. That is why local authorities are the main actors to support CSR policies.

6.2. On what bases do support policies lay?

6.2.1 Motivation

The motivation for driving a CSR policy is internal



Graph 36 – "Organisations considered support to CSR actions as their own strategy"

More than 4 out of 5 interviewed organisations answer at least once (out of many possible choices) that they drive a CSR policy because they want to. The organisations' motivation for driving a CSR policy belongs to their own strategy.

Pressures from other stakeholders are only quoted by 5.6% of them.

6.2.2 Stakeholder

The stakeholders involved in the CSR policy are above all other companies



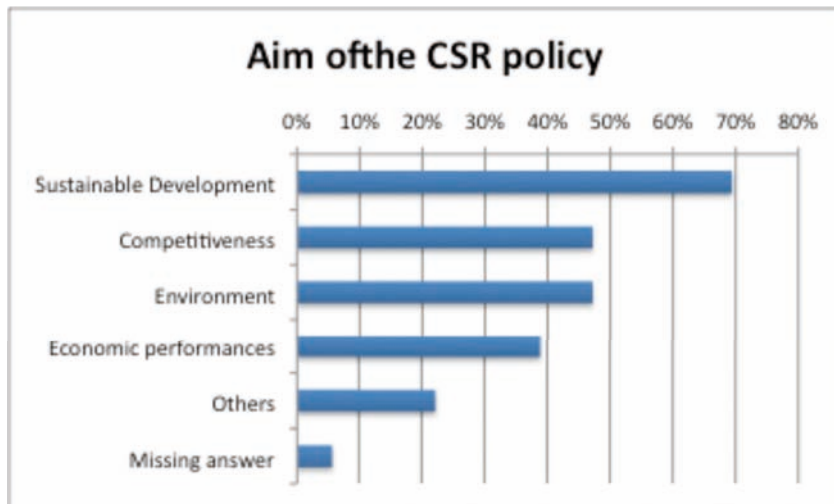
Graph 37 – "Stakeholders involved in the CSR policy"

More than 60% of interviewed organisations answer at least once (out of 5) that companies are involved as stakeholder in their CSR policy.

Nearly half of interviewed organisations answer at least once (out of 5) that trade associations and local authorities are involved as stakeholder in their CSR policy. However there is a rather strong diversity of the involved stakeholders.

6.2.3 Aim

The organisations' CSR policy target sustainable development



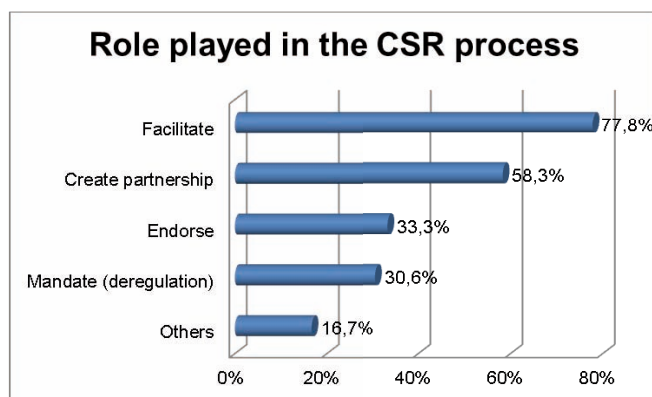
Graph 38 – "Aim of the CSR policy"

More than two thirds of the interviewed organisations answers at least once (out of many possible choices) that Sustainable development is targeted by their CSR policy. Economic performance as a direct goal is only quoted by 38.9% of the interviewed organisations, which is quite surprising when many SMEs do not rely on financial assistance to implement their projects.

6.3. What kind of support do they do?

6.3.1 Role of organisations

The organisations mainly play the role of facilitator



Nearly 8 out of 10 interviewed organisations consider they play the role of facilitator (quoted at least once out of many possible choices) in the CSR process.

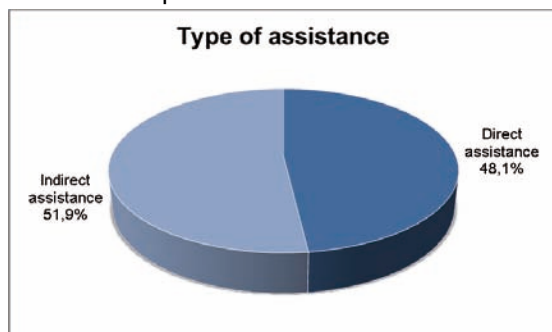
They mandate CSR actions only for 30.6% of them.

Graph 39 – "Role played in the CSR process"

- ✓ From the interviews we see that companies do not consider they have sufficient expertise on this field. Being maybe more backed-up (or at least having the feeling that someone is guiding you on a topic you are not sure to know) could be more helpful to SMEs than only benefiting from a facilitator towards partners or new suppliers.

6.3.2 Type of assistance

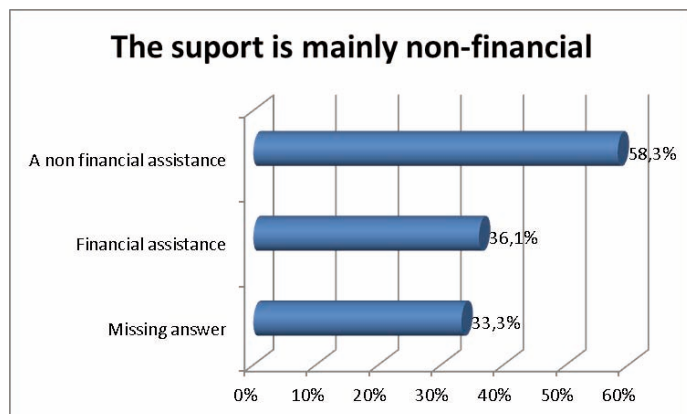
There is no specific assistance delivered to the MED SMEs



The organisations nearly work as on their own (direct assistance) as with other organisations (indirect assistance).

Graph 40 – "Type of assistance"

The type of support given by the interviewed organisations is mainly non-financial

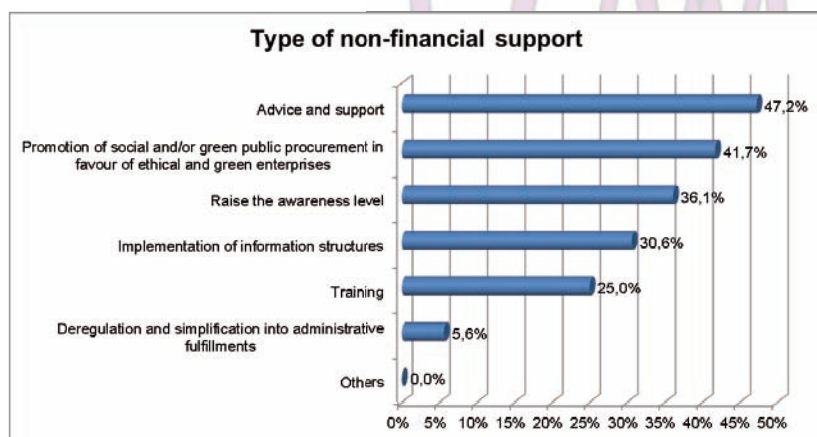


Organisations provide above all (58.3¹⁴% of the interviewed organisations) a non-financial assistance. Then they offer services such as support or advice and promotion of social or green procurement. However we did not see any organisations in the panel that “lend” competences to a company for the implementation (not only for information, training or support).

Graph 41 – “The support is mainly non-financial”

There are no relevant differences between countries.

Advice and support are the main non-financial support given by the organisations



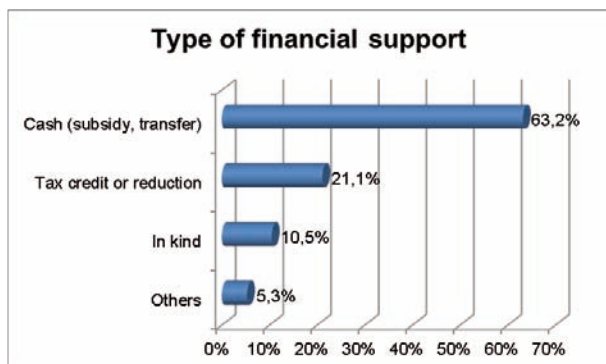
The non-financial support given by the organisations mainly takes the shape of advice and support (quoted at least once out of many possible choices by 47.2% of the interviewed organisations).

Graph 42 – “Type of non-financial support”

Training and Implementation of information structure are not used by many organisations (respectively quoted at least once out of many possible choices by 5.6% of the interviewed organisations). As we saw that the lack of expertise is felt by a majority of SMEs as a key barrier to get further into CSR, organisations should probably offer more training. The difficulty is there to find the good shape (in terms of length, topic and public) – as CSR is such a broad subject.

¹⁴ The total of the percentages is superior to 100% because organisations could give more than 1 answer.

Cash is the main financial support given by the organisations



The financial support given by the organisations mainly takes the shape of subsidy or transfer of money (quoted at least once out of many possible choices by 63.2% of the interviewed organisations).

Graph 43 – "Type of non-financial support"

In-kind are not used by a lot of organisations (quoted at least once out of many possible choices by only 10.5% of the interviewed organisations).

6.4. How do they choose who/what they will support?

Through their CSR policy, organisations mainly target cluster of companies

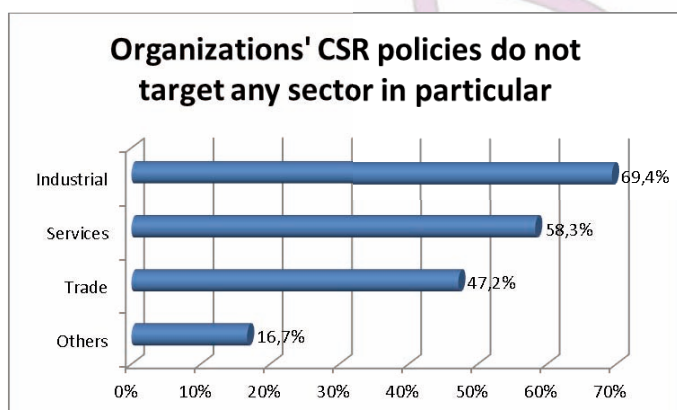


Graph 44 – "Clusters of companies are targeted by organisations' CSR policy"

Through their CSR policy, the target of the organisations mainly is cluster of companies (quoted at least once out of many possible choices by 44.4% of the interviewed organisations).

- ✓ Their goal seems to be to target as many companies as possible in one project in order to build a stronger network.

Through their CSR policy organisations do not target any sector in particular



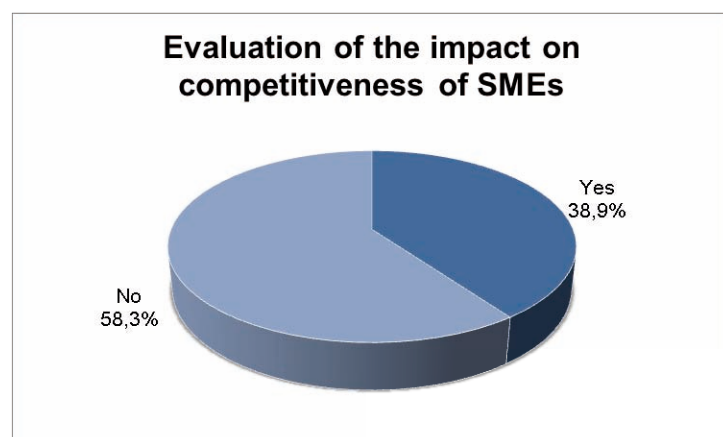
Graph 45 – "Organisations' CSR policies do not target any sector in particular"

There is no significant difference between the sectors targeted by the organisations' CSR policy, which show that support for CSR projects are offered to a wide range of companies.

- ✓ Not targeting a specific sector could however be a mistake as networking is more efficient, on a first stage, among people who have interests, problematic and goals to share.

6.5. Who does monitor the effectiveness of the support given? How?

The impact of CSR policy on competitiveness is mainly not evaluated

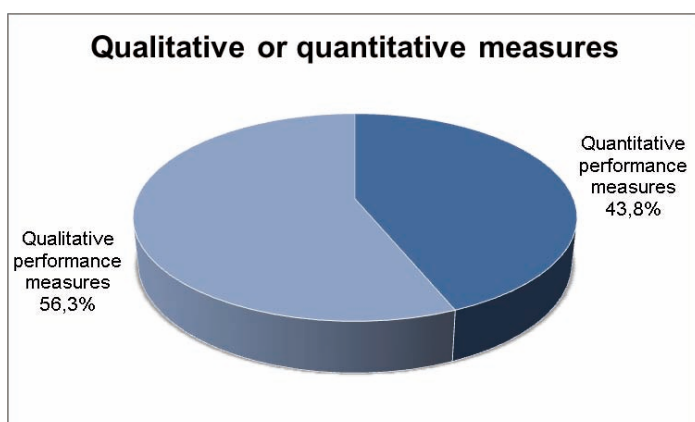


58.3% of the interviewed organisations do not lead any evaluation of the effects of their CSR policy on competitiveness of SMEs.

Graph 46 – "Evaluation of the impact on competitiveness of SMEs"

There is therefore a real need to provide a common tool, which is able to evaluate the impact of CSR project from the organisations' perspective. If an organisation asks for an evaluation as a condition for a grant, it pushes companies to do the evaluation they need to see whether their projects is quantitatively and measurably efficient. It will then become a reflex among companies to conduct such evaluation – but organisations would need to start the process in that direction.

When evaluate, the measure of performance is both objective and subjective



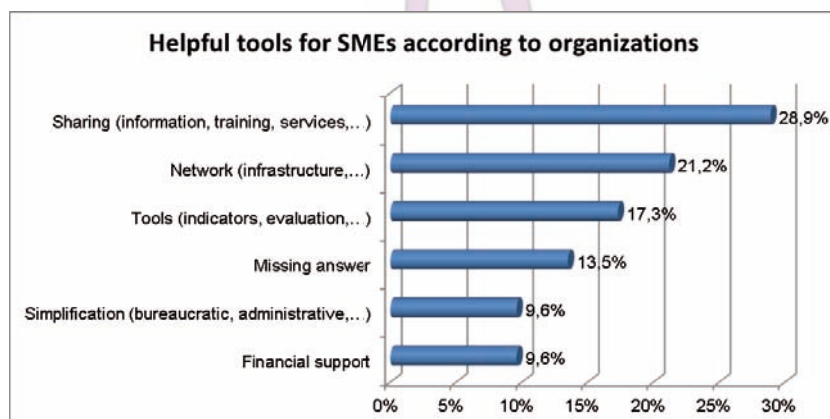
There is no relevant difference between the types of measurement of the CSR policy performances.

Graph 47 – "Qualitative or quantitative measures"

When it is evaluated, more than half of the time, it is done only through qualitative measures. It is essential for organisations, on the contrary, to have a quantitative idea of the impact of the projects they support. This will permit to know what a success is and distinguish it from what is a failure. It will again prove companies that it is possible to measure the impacts of CSR – and therefore show them the road to develop an evaluation for current projects. In the future, entrepreneurs will then have the habit to build beforehand dashboards, dedicated to their specific model.

6.6. What kind of tools would help organisations support more and better SMEs?

According to the organisations, sharing is the kind of help SMEs needs the most



Graph 48 – “Helpful tools for SMEs according to organisations”

The analyses of the verbatim show that, according to the organisations, SMEs miss sharing the most. For instance organisations talk about “information about resources, benefits and support” and “training activities.”

Financial support is only quoted by 9.6% of the interviewed organisations.

7. Conclusions

7.1. CSR by SMEs in the Mediterranean Region

A first conclusion is that Mediterranean companies share common values and undertake similar actions in the field of Corporate Social Responsibilities. Compared to other European studies featuring companies from all over Europe and showing differences by geography, an important lesson to be drawn from the study is that MED SMEs are rather similar in the way they envision, tackle and implement CSR projects. It is, therefore, very indicated to think of CSR policies at a regional level – with common support and tools for the entire Mediterranean region. Selecting which types of CSR actions need to be implemented by SMEs is, however, influenced by a number of contextual factors such as the industry the given SMEs belong to, their size and their CSR maturity level. Actions specific to sectors and typologies of companies could therefore be preferred.

A second conclusion is that interviewed companies saw linkages between CSR and competitiveness. In our study, we did not compare MED SMEs conducting CSR policies with those which do not. However, among the 150+ companies studied, which all conducted CSR projects, most related their projects to competitiveness, at least as far as public image is concerned. If companies see the linkage with competitiveness, they are not always able to properly see where the link exists and to what extent. As a matter of fact, no established methodology and/or tool for assessing the impact of CSR actions on competitiveness exist.

According to the academic and the state-of-the-art reports, SMEs must be given a strong incentive before they impulse and implement CSR projects. Any such projects are supposed to make them more aware of the expectations from their stakeholders and therefore make them better at catering to their needs. As a consequence, they should gain market share (as customers are satisfied and would tend to prefer them), be more attractive for talents (as they have a reputation for providing better working conditions), have lower costs (because they simplified their processes and they

negotiated conditions with their suppliers) and be more innovative (as they have a stronger incentive to find solutions to serve their stakeholders).

Based on the study, however, it is unfortunate to say that companies may not always recognize in which areas CSR projects foster their competitiveness, except on image – which, again, is the least tangible aspect of competitiveness. Our study showed that MED SMEs are regrettably not aware of these consequences because they do not know enough about CSR and they are not able to evaluate the results of their projects. Even if they are considered in their respective region as “best-in-class” companies in terms of CSR, it is disputable that they are certain that their competitive advantage comes from the CSR projects they put in place. When they do consider that CSR helped them, they mainly see an impact on reputation and employees’ motivation – the two least tangible aspects of competitiveness.

Companies do not see the impact of CSR on innovation. We were very concerned when we reached this conclusion as it may imply that CSR has no impact on their innovation effort – thereby not providing them with a competitive advantage in the long run. Alternatively, it may indicate that companies are not able to properly assess the link between CSR and innovation, but this in turn would cast a doubt on the fact that companies will continue CSR projects if they do not see CSR as bringing them more than a status-enhancing image.

Companies might not use traditional CSR tools properly. We became concerned about it when we saw that some traditional CSR tools were not perceived as bringing competitive advantage on what they have been created for. For instance, environmental management systems seem to not be able to do the job they were meant to achieve, i.e. consuming less and therefore increasing productivity. As a consequence, companies which implemented such processes could only be disappointed because their expectations were not fulfilled. Either current environmental measurement tools and processes are not well designed for SMEs or such processes are seen only as constraints and not as opportunities.

7.2. To what extent do companies need more support?

Among the barriers referred to by SMEs, the first one is the lack of expertise (for more than 37% of them) before the lack of finances. Therefore, organisations that aim to provide companies with assistance regarding CSR actions have latitude to provide more training and information sessions in order to support companies in the implementation of CSR

projects. It is worth noting that interviewed companies know where they can find examples of CSR actions pursued by others. They therefore need more than a guide on good practices.

A striking result is that MED SMEs do not do CSR in order to directly impact their bottom lines, but at the same time, they also indicate finances is one of the major barriers they are facing. They therefore probably need support in choosing CSR projects, which also have direct bottom line impacts, in order to give them the opportunity to do more CSR projects. The lack of expertise might explain why they do not find CSR projects impacting their bottom line, whereas they very frequent do so (in the field of natural resources consumption, packaging, transport, but also in their social security taxes due to work safety and absenteeism, etc.). In our opinion, MED SMEs need support to better apprehend the link between CSR and financial results and be able to choose projects that also translate into more possibilities to do further CSR projects.

Last but not least, measuring results is key. SMEs would like to measure more and more efficiently. They need methodologies and tools to properly do so.

7.3. What do SMEs need?

MED SMEs need:

- Deeper expertise in the field of CSR;
- Stronger financial possibilities;
- More time or staff to conduct the projects;
- Stronger support from their stakeholders;
- Efficient networking.

7.3.1. Deeper expertise in the field of CSR

A majority of companies consider that the chief barrier to implementing CSR is lack of expertise. It is already well understood by organisations which support CSR, in the sense that they provide companies with training. However, it seems that such training is maybe not widely spread among all SMEs, or that it is focussed on one or two specific topics and it would be very useful to broaden the areas covered by training. For instance, it is striking to see that companies see the link

between CSR and image very clearly, but very few of them see that link with new markets (even though there are dedicated CSR tools or methods in this area, such as Base of Pyramid Strategies, Access to Health or Environment-Conscious Consumers, etc.), innovation or R&D.

7.3.2. Stronger financial possibilities

As inconsistent with intuition as this may appear, most companies which conduct CSR projects do so not for financial reasons. They are not hoping that CSR will help them reduce costs. However, there are a number of CSR projects that can have a very positive impact on the bottom line:

- by reducing costs: a lot of environmental measures allow to decrease costs of production (e.g. smaller consumption of natural resources, decrease of transportation costs) and fixed costs (e.g. reduction in energy costs, cuts in social taxes and general taxes);
- by increasing revenues: being able to demonstrate their ethics, companies can usually sell their products with a premium or have access to new types of consumers.

As a consequence, it would be very helpful to provide companies with specific consulting or training programmes aiming to make them aware of CSR projects that would give an easier access to cash and allow them to then re-invest in other projects. A tool able to give companies ideas of CSR projects with no need for additional investments and which would generate cash would be of great value.

Moreover, more than half of interviewed companies said that they implemented projects without receiving any initial support. Among those which received support, a majority did not receive any money at all. Therefore, it could be useful to assist companies in finding where they can obtain financing for specific projects. There are, indeed, a lot of opportunities to support CSR projects, both on the environmental and on the social side of the notion. Companies, especially SMEs, may not have the information of which organisation finances which kind of project. A tool that would give them this insight would therefore be very valuable.

7.3.3. More time or staff to conduct the projects

Among the issues reportedly faced by companies, lack of time or staff was frequently mentioned. This might be linked to the fact that they have no experience in the field and therefore spend too much time on CSR projects. It could also be because they do not know CSR well enough and therefore think it will take a lot of time, while it does not.

There is probably little to do with a tool in order to solve this problem, unless it would be possible to evaluate the time required to implement projects and to make this information widely available to entrepreneurs, who would then not consider it takes too much time to run CSR projects when it is not the case.

However, organisations could help in providing experienced workers (employees of the organisation or employees from other bigger companies, who would be part of a practical skills transfer or pro bono programme). These would assist MED SMEs in starting and running CSR projects. A tool could come in addition to such initiatives by providing information on organisations running such projects.

7.3.4. Stronger support from their stakeholders

A number of companies said that a major obstacle to implementing CSR projects was the incomprehension and the lack of support (and even sometimes the opposition) of their internal and external stakeholders.

Companies quoted employees as internal stakeholders who do not see CSR as a priority. Employees sometimes consider that it would be smarter to give them directly the money invested on CSR projects. They do not see the benefits of CSR projects on the long run. Most of the time, companies referred to local governments or more generally "bureaucracy" as external stakeholders. They have the feeling that they are not supported, or that the authorities make whatever they can to block any projects that they are trying to implement.

In order to change the situation, companies need to increase and improve communication on their CSR business case and convince their stakeholders of the priority to implement such projects. A tool would be helpful for providing communication strategies or even communication pre-written material to improve the impact of their message both internally and externally.

7.3.5. Efficient networking

In most of the interviews conducted, companies were willing to network more in order to gain knowledge and exposure to good practices. They were also interested in networking opportunities within their industry (for example with vertical partners,

or at a horizontal level) in order to develop common frameworks and capabilities to conduct CSR projects together. A useful tool could be:

- either a networking website, which would help companies interested in CSR to meet other companies, possibly complementary to their own activities in order to develop projects together;
- or a method to develop one's own networking opportunities through events or online communication, thereby allowing companies seriously involved in CSR to find other partners to work with them.

Organisations could also play a key role regarding the networking aspect by organizing and moderating events and clubs on CSR. However, it is truly essential to conduct truly operational projects on networking with an aim to create partnerships or common actions. SMEs do not have sufficient time to conduct CSR projects by themselves. Therefore, they would need to see that the networking events would make them save time rather than they waste their time providing opportunities to meet people which are not relevant to their expectations.

7.4. What do organisations need?

The role that different types of organisations can play in initiating and supporting CSR programmes targeted to SMEs differ according to the national setting. Two major approaches to the development of CSR programmes by organisations are currently at work in Europe: a top-down approach where the CSR strategy is articulated at ministerial level by national governments and a bottom-up approach where CSR activities are encouraged to be initiated at regional and local level. A bottom-up approach at the regional level and differentiated by industry, size and maturity therefore seems the most useful type of support.

From the questionnaires, we learn that some organisations (as well as some companies) complain about the bureaucratic aspects involved in giving or obtaining support with regard to CSR. Responsible Med could be an interesting catalyser for change by making local and national governments aware of these difficulties. A tool dedicated to organisations, which could also provide them with best practices in filling out administrative forms and explaining them how to avoid too much bureaucracy would be very useful.

Moreover, organisations would benefit from benchmarking models or tools in order to evaluate the impacts of their actions and supports towards competitiveness. They would like to have access to evaluation tools for themselves and for

companies they support. Most of the interviewed organisations testify of the positive impact on competitiveness only as far as soft skills are concerned. They are not able to provide tangible quantitative measures.

Most of the interviewed organisations would also be interested in sharing best practices with other organisations and with companies, thereby helping less mature firms implement similar CSR projects. Some of them would be interested in more networking with other types of organisations but also in acting on CSR. They contend that the lack of networking with other complementary organisations is a barrier to a better implementation of CSR.

Some organisations are also still very interested in training and qualitative information on the topic. A technical support would also be appreciated by some of them. A tool that could provide them such services would be interesting.



8. Recommendations: what kind of tool(s) would be helpful for an efficient and driving innovation support towards CSR projects for MED SMEs?

8.1. Actions should be developed at the regional level

As we saw, MED SMEs have rather similar issues and the bottom-up approach in terms of support seems more efficient. Therefore, we would recommend continuing the work on supporting SMEs at the Mediterranean level.

Moreover, CSR or the lack thereof could have an impact on the competitiveness of the region. The Mediterranean countries (Italy, Spain, Greece, Portugal, and southern France) have a greater preponderance of smaller firms than the generally wealthier northern European countries¹⁵. Therefore, if we consider that CSR brings competitiveness and that SMEs do not do CSR the same way as bigger companies, it is key for the region to support them to do more CSR.

We nonetheless saw that if Mediterranean SMEs do not improve the way they conduct CSR projects, they might not be able to take full advantage of the competitiveness benefits CSR actions offer. This may be due to the fact that they are not in a position to select the best CSR projects to implement. It is therefore essential to monitor the progress of Mediterranean SMEs in that area to be sure they gain knowledge on CSR and on the praxis of determining, implementing and measuring such projects. We would therefore suggest that organisations play a bigger role in conditioning their support to the monitoring of CSR projects on competitiveness.

We would recommend a bottom-up model with specifications by industry, size and CSR maturity of companies so that support given by organisations will be put at a better use.

¹⁵ Alan Mulhern, "The SME Sector in Europe: A Broad Perspective", *Journal of Small Business Management*, Vol. 33, 1995

8.2. Companies need to gain expertise

Entrepreneurs and companies need to feel more confident about CSR and the way they conduct their own projects. Organisations already do a great job informing and training companies on the topic and we would recommend that they continue to do so. We would also suggest that they start offering different levels of expertise in their information or training sessions so that everyone finds what they need, from the introduction to CSR concepts to the expertise in implementing a specific type of project in one's organisation.

We would also recommend focussing training (especially workshops and experimentations) on the link between CSR and innovation on the one hand, and CSR and productivity on the other hand. Companies do not sufficiently see and understand this link today whereas it is key for them to acknowledge this link – and be sure they continue implementing CSR projects on the long run. We would also recommend to use newest form of pedagogy such as action-training or engaging communication.

8.3. The tools should focus on measure and training

We think that the tool to be developed should:

- Give companies ideas of projects they could implement (through training to make them gain expertise or through a database of projects – with adaptation of projects to the context of the company).
- Define the strategy the companies should follow to improve competitiveness through CSR. This might be a strategy issue but we see from the current perceived impact of CSR tools that they might be misused or not used at the right time or for the right objective in the company. This could be done through consulting or via an online tool with a distance support.
- Last, but most important, measure and evaluate their projects – before they even start any of them. Companies do not measure enough and do not know how to measure. They would need either consulting to develop their proper dashboard or a tool that will allow them to do so.

Based on the global conclusion and the recommendation of the regional and interregional studies, the tool(s) to be developed by the Responsible Med project should target the following objectives:

- Make companies able to quantitatively measure the impacts and outputs of their CSR projects.

- Support companies to assess the impact of their CSR actions on competitiveness either quantitatively and/or qualitatively.
- Make companies more aware of the whole range of competitiveness impacts CSR can have and let them see and develop innovation and productivity through CSR.
- Refrain from providing a list of good practices – which would not give companies the expertise they currently feel they lack – but provide entrepreneurs with efficient training and networking. Current online social networking and e-learning (especially rapid learning) capacities might be interesting technologies to look at.



Annexes

1. Annexe 1 – List of the interviewed MED SMEs

The partners interviewed the following companies:

Regional Government of Tuscany	Agri Ambiente Mugello
	Aquapur Multiservizi
	Arizona
	ASIU - Azienda di Servizi di Igiene Urbana
	Bol - Fra
	Centro Servizi CNA
	Chimica Edile
	Floratoscana s.c.
	Fosber
	Giò s.r.l.
	Hotel Danila
	Jersey Mode
	La Cortevilla
	Lab Archa
	Metalzinco
	Monnalisa
	Nebraska
	Paper Museum
	Parchi Val di Cornia
	Scapigliati
	WEPA

Regional Government of Umbria	Alcantara spa
	Axis cucine
	CO.TRA.PE. trasporti
	Eurolegno
	I.D.L. Industria Del Legno
	Idea Mode
	Istituto Serafico
	Istituto Padre B.Ludovico da Casoria
	Mandarini Arredamenti
	Opera Don Guanella centro riabilitazione servizi
	Studio Roscini
	Tema Costruzioni
	Torrefazione Caffè Mokacika
	Trasimeno Antincendi
Cyprus University of Technology	Amathus Public Ltd (Amathus Beach Hotel Limassol)
	Bank of Cyprus
	C.A.Papaellina & Co Ltd
	CBA
	Cyprus Premium Automobiles Ltd
	Cyprus Telecommunications Authority
	Deloitte Cyprus
	Domoplex
	Family Restaurants Andreou Co. Ltd. (McDonalds)
	I.P. Gaia Oinotechniki Limited
	Krypto Security Cyprus Ltd
	Medcon Construction Ltd.
	MSM Sotmar Communications Ltd
	OPAP Cyprus Ltd
	P&P Ice Cream Group
	Paradisiotis Group
	Symeonides Fashion House Ltd
	The Grammar School
	Top Kinisis Travel
	Virardi Enterprises Ltd
	Voici la mode Group of companies

Chamber of Commerce and Industry of Marseille Provence	Bleu Vert
	Cegelec Sud Est
	EGE Noel Beranger
	EOLE-RES
	FuturTélécom
	Mille SAS
	Groupe Onet
	Groupe Pizzorno Environnement
	HTS BIO
	Multi Restauration Méditerranée
	NJS Faramia Transports
	Profil
	Resistex
	Roux et fils
	Sherpas
	Société Hôtelière Martinez Concorde
	Sogeres
	Someca
	Terre d'oc
	Vacances Bleues
Chamber of Commerce and Industry of Terrassa	WIT
	Acondicionamiento Tarrasense
	Associació ALBA
	Bidons Egara, SL
	Egarsat MATEPSS
	Embamat EU, SL
	Exclusivas Egara, SA
	Extrapernil, SA
	Grupo B.Braun España
	Grupo SIFU Integración Laboral, SL
	ISS Facility Services
	KH Lloreda, SA
	Lamp, SAU
	Mina Pública d'Aigües de Terrassa, SA
	S. Casamitjana, SL
	Servicios Genéticos Porcinos, SA
	Teixidors, SCCL

University of Girona	Animus CRM
	Axxon
	Bito Produccions, S.L.
	Casademont
	Comelgrup Girona
	Comexi Group, S.A.U.
	Cuatrecasa Goncalves Pereira
	Dibosch
	Easy Innova S.L.
	Frit Ravich, S.L.
	Gestocks Operador, S.L.
	HIPRA S.A.
	Hotel Medes II
	Jardineria Serradell
	La Fageda, sccl
	Masias Recycling S.L.
	Massegur, S.A.
	Promoprice TT, S.L.
	S.A.T. la Vall d'en Bas
	Trias Galetes - Biscuits S.A.
ADRAL S.A.	Vigas S.A.
	Carmim
	Celfinfo, Lda
	Desafio Sul
	Electrilar
	Evorahotel
	Evoravícola
	Fercarnes
	Francisco Quadrado
	Hotel da Ameira
	J. Saragoça, Lda.
	Oculista das Postas de Santo António de Estremoz, Lda.
	Puff Power, Lda.
	Resialentejo EIM
	Rustitur, Lda.
	Simões Vieira e Pereira
	Sociedade Agrícola Freixo do Meio
	Somefe
	Tiago Morgado, Lda
	VN Automóveis, S.A.
	Zmar

Region of Thessaly	Bank of Thessaly
	Bosch Car Service - Ilias Petroulis
	Company for Surveing Studies of Public and Private Projects - kakardakos
	Cosmos Profil A.E.
	G. Karadimos - Engineer
	Hotel Metropol S.A.
	Insurances Maria Zilou
	Mpotsi Panagiota - Technical School
	Potoula Georgia
	Roksani Patisserie
	Sidiobeton - Dimitris Karambinas and Co.
	Tsipouro of Tirnavos - Agrafiotis Company
	Tsironis Aleksios
	Violar Sa
Athens University of Economics and Business	Xatzisalatas sa
	Attiki Pittas
	BPM SA
	Comergon SA
	Connective WGSE
	Connective WGSE
	Cooperative Bank of Thessaly
	Eikonotropies - Byzantine Art
	Eurochange Hellas S.A.
	Hellenic Lloyds
	Ink Design
	Johnson Diversey Hellas S.A.
	Manpower Team SA
	Mellon Group of Companies
	Opta Travel
	Panathinaikos FC
	Papadopouloi Brothers, Ltd.
	PISCINES IDEALES
	Semeli Resort
	Sustainable Development EME
	Theodorou Anna-Kyriakh
	Vario Clean S.A

2. Annexe 2 – List of the interviewed organisations

The partners interviewed the following organisations:

Regional Government of Tuscany	Agenzia Sviluppo Empolese Valdelsa (ASEV)
	CCIAA Prato
	Pescia Municipality
	Provincia di Pisa
	Regional Government of Tuscany
	Regional Government of Tuscany
	Florence Municipality
Regional Government of Umbria	Municipality of Umbertide
	Municipio di Tuoro sul Trasimeno
Cyprus University of Technology	Aglantzia Municipality
	Cyprus Youth Clubs Organization
	Latsia Municipality
Chamber of Commerce and Industrie of Marseille Provence	ADEME
	Conseil Régional PACA
	Direccte PACA
Chamber of Commerce and Industrie of Terrassa	Comisiones Obreras CC.OO.
	Consorci per l'Ocupació i la Promoció Econòmica del Vallès Occidental
University of Girona	Ajuntament de Girona
	Consell General de Cambres de Catalunya
	Departament de Treball de la Generalitat de Catalunya
	Departament d'Empresa i Ocupació de la Generalitat de Catalunya
Region of Thessaly	Development Agency of Karditsa – Development Agency of Local Authorities (ANKA)
	Local Union of Communities & Municipalities of Larissa County (TEDK)
	Municipality of Karditsa
	Region of Thessaly
	Regional Department of Agronomist and Surveyor - Central and West Thessaly
	Technical Chamber of Greece - Department of Central and West Thessaly
Athens University of Economics and Business	Center For Life
	Federation of Industries of Northern Greece (FING)
	Praksis
	SEV Hellenic Federation of Enterprises
	Therapy Center for Dependent Individuals

3. Annexe 3 – Recoded Variable 24

The modes of the question 24 from the Questionnaire for Companies “Please select the 5 most important objectives of your company CSR policy and rank them according to their importance” were the following:

1. To gain market share
2. To reduce costs
3. To limit the impact on the environment
4. To improve risk management
5. To bring value to the image of the company
6. To improve skills and productivity of the employees
7. To improve social relationships in the company
8. To improve or to develop accessibility (for handicapped persons)
9. To meet the demands of the major clients
10. To improve working process
11. To favour technical innovation
12. To improve the organisational structure of our enterprise
13. To increase the intensity and quality of relationships with our stakeholders
14. To better manage the future legislative compliance
15. To better manage relationships with our suppliers
16. Other

The question was recoded as follow:

- A. To improve relationships towards internal stakeholders (modes 4, 6, 7, 8)
- B. To improve relationships towards external stakeholders (modes 3, 5, 9, 13, 14, 15)

C. To improve processes within the company (modes 10,11,12)

D. To directly improve financial results (modes 1, 2)

E. Other (mode

16)



4 Annexe 4 – Recoded Variable 28

The modes of the question 28 from the Questionnaire for Companies “What kind of CSR actions constitutes your CSR policy?” were the following:

1. Labour assurance programmes
2. Stakeholder engagement
3. Sourcing ethics and relevant audit procedures
4. Adoption of soft managerial instruments, such as Environmental Management Systems, Health & Safety Management Systems, Social Responsibility Management Systems, etc.
5. Implementation of soft environment-friendly production processes
6. Charity
7. Training activities
8. Safeguarding health of employees
9. Initiatives in favour of local communities
10. Fair trade
11. Equal opportunities programmes
12. Ethical codes of conduct
13. Implementation of soft environment-friendly production processes (for instance: by adoption of raw materials or auxiliary products with reduced environmental impacts)
14. Training initiatives (over those foreseen ex lege)
15. Suppliers selection on the basis of criteria that consider also ethical and/or environmental performances
16. Adoption of benefits for employees (such as flexibility of individual working hours, requests for part-time contracts, conventions with sport and cultural centers, etc.)
17. Agreements and partnerships with customers and/or suppliers to promote ethical and/or eco-compatible products (eg. Shared advertising campaign, manufacturing consortia, etc.)

18. Editing of social/sustainability and/or environmental annual reports
19. Adhesion to specific ethical/environmental international initiatives (eg. Global Compact, AA1000)
20. Other

The question was recoded as follow:

- A. Training actions and processes improvement (modes 5,7, 13,14)
- B. Certification and Transparency (3, 12, 18, 19)
- C. Actions to improve working conditions (modes 1, 4, 8, 11 & 16)
- D. Actions towards external stakeholders (2, 6, 9, 10, 15 & 17)
- E. Other (mode 20)



5 Annexe 5 – No link between evaluation and support

Pivot Table Question 42 "Does your company evaluate its CSR policy?" and Question 35 "Does public or private structures help you in the implementation of one of your CSR policy?"

Does your company evaluate its CSR policy?	Yes	No	Don't know	Total
Does public or private structures help you in the implementation of one of your CSR policy?				
Yes	2	2	2	6
No	2	22	22	46
Don't know	2	22	22	46
Total	4	24	24	52

Values are number of quotations.

Pivot Table Question 42 "Does your company evaluate its CSR policy?" and Question 38 "You were helped by a public or private organisation (Yes in question 35), please specify, this help is?"

Does your company evaluate its CSR policy?	Yes	No	Don't know	Total
You were helped by a public or private organisation (Yes in question 35), please specify, this help is?				
Yes	2	2	2	6
No	22	22	22	66
Don't know	22	22	22	66
Total	24	24	24	72

Values are number of quotations.

7 Annexe 7 – Barriers per country

Pivot table Question 272 “What barriers did you encounter in the implementation of you CSR policy” and recoded question 1 “Name of the partner”

Barriers policy / Countries	Italy	Cyprus	France	Spain	Portugal	Greece
Lack of expertise	8,5%	3,8%	3,8%	5,2%	2,4%	8,5%
Lack of financial resources	9,0%	2,8%	4,3%	5,7%	3,3%	5,7%
Lack of staff	4,3%	1,0%	4,7%	3,8%	3,3%	0,5%
Others	2,4%	1,0%	2,4%	7,6%	1,4%	4,7%

There is no significant differences.

Values of tables are percentages in columns based on 234 occurrences.

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