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Martinuzzi, Robert-Andre

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Responsible Competitiveness – Linking CSR and Competitive Advantage in three European Industrial Sectors

André Martinuzzi, Wien

Summary

Our paper deals with sectoral links of Corporate Social Responsibility (CSR) and competitive advantage in the chemical, construction and textile sectors. It is based on an analysis of sector specific research findings and a series of qualitative interviews with experts from business associations all across Europe. In our project, we analysed the competitive situation and the most important societal concerns of each sector, and identified CSR issues that simultaneously address societal and environmental concerns and improve competitiveness. Our results show the importance of future sector specific CSR policies, business initiatives and research projects.

1 Introduction

The linking of CSR and competitive advantage is often seen as a highly promising way to line up societal needs, environmental constraints and corporate interests, and could create shared value for businesses and society (Porter/Kramer 2011). If it could be proven that responsibility pays off, a strong push for dissemination of good CSR practices would be expected. Following this line of thought, public CSR policies could focus on motivating businesses for voluntary action instead of forcing them by obligatory policy instruments. The assumption that CSR leads to competitive advantage is not self-evident, as high social and environmental standards lead to higher production costs in the short run. Two groups of medium and long run returns have been discussed that could compensate for higher production costs and lead to competitive advantages for pro-active companies: the first one puts emphasis on product quality and focuses on high-end market niches (e.g. in the bio-food sector and in high end fashion); the second one assumes that higher standards lead to innovations and create a better positions in a technology driven competition (e.g. in the area of eMobility and renewable energies). Based on this so-called Porter-Hypothesis (see also Wagner 2003) the European Competitiveness Report 2008 highlights several areas in which CSR could lead to increased competitiveness and asks for more in-depth research: *„The overlap between competitiveness and CSR at macro and sector level may be greater than is often acknowledged. More research is required, however, in order to measure*

and analyse the ways in which CSR might enhance competitiveness at the macro-level and sector levels.“ (European Commission 2008, p. 119).

Linking CSR and competitive advantage is a challenge as both concepts are vague. Numerous studies, books and academic papers tried to establish „their“ definition and came up with various approaches and indicators. In addition, a broad variety of empirical studies tried to test if any correlation of CSR and competitive advantage could be found, and came to sometime contradicting conclusions. This broad range of empirical results led Raghurir et al. (2010) to the conclusion: „After 36 years, 167 studies, and 16 reviews of the relationship between CSR and financial performance, the answer to the debate about whether CSR is profitable is unambiguously clear: it depends.“ (Raghurir et al. 2010, p. 69). But on what does it depend? Is the link between CSR and competitiveness a phenomenon that is so dependant on the individual situation of a company and its unique proposition, such that all empirical studies that go past individual case studies tend to get lost in „greyness of arithmetic means“?

This study tries to answer this question by shedding light into the sector specific links of CSR and competitiveness. It is based on the assumption that although each company operates in a specific and unique environment, the sector in which it is embedded might be a crucial factor for linking CSR and competitiveness: Sectors (and even sub-sectors) differ from each other in terms of success factors, R&D intensity, geographical level of competition, prevalence of SMEs or MNCs, ownership and some country specific characteristics (such as institutional and legal framework). This study takes up the suggestion of Maccarone (2009) who discussed sector specific aspects of CSR in the energy, food and chemical industry in Italy based on case studies and asked for a deeper understanding of sector-specific elements of CSR. Jackson and Apostolakou came up with similar conclusions. They used the concept of institutional isomorphism as the foundation for their analysis. They found that „since firms operating in the same industry face similar challenges, common CSR patterns and regulations, are likely to develop, affecting CSR standards and forcing CSR policies implemented by firms in those industries to converge. In other words, sectors represent an important boundary of institutional fields.“ (Jackson & Apostolakou 2010, p. 374). This study takes up their suggestions and deals with sectoral linkages of CSR and competitiveness.

2 Research questions and methodology

The key objective of this study was to find and describe the links between CSR and competitiveness in three European industrial sectors and to draw conclusions for public CSR policies and sectoral CSR initiatives. We selected the chemical, textile and construction sector based on theoretical and practical considerations. From a theo-

retical point of view the three sectors show very different characteristics, (e.g. different role of SMEs and MNC; different importance of innovation, human resources and public procurement; different pressure from outside Europe) so that similarities and differences could explain the variation of success factors and CSR issues among sector boundaries.

Our research was driven by the hypothesis that CSR and competitiveness are highly sector specific; therefore, the broad variety of empirical results of other studies could be explained by sectoral characteristics. We split our hypothesis into three research questions:

1. What are the key drivers of competition in the respective sector?
2. Which CSR issues are of relevance for the respective sector?
3. In which areas can CSR contribute to the competitiveness of the respective sector?

To answer these questions, three types of studies could be carried out: One could analyse existing databases for statistically proven links of CSR and competitiveness and assess the variation within and between sectors. We did not follow this approach, as most of the relevant databases do not contain detailed information on CSR activities of the respective company. Another study could conduct case studies and aggregate the results on the sectoral level. We did not follow this approach, as it would require enormous research efforts to develop statistically relevant conclusions on sectoral level. Therefore, we decided to base our study on the knowledge of sectoral experts from research and from business associations all across Europe:

- To process the knowledge of scientists we conducted a desktop research and a meta-analysis of scholar papers on competitiveness and CSR in the three scrutinized sectors. This literature basis was set up and analyzed in mid 2009 and amended in early 2011. We processed journal publications as well as research reports with a European and sectoral focus, and excluded case studies of individual companies and countries outside Europe. In addition, we conducted several qualitative face-to-face interviews with researchers involved in projects that explicitly dealt with the links of CSR and competitiveness.¹
- To utilize business knowledge, we conducted 45 expert interviews with representatives of national and EU-wide business associations in the three sectors. We especially focused on representatives of big National Trade Associations and of countries where the respective industry is the biggest. Consequently, most of our interview partners represented organisations with up to 5000 member companies. This was done to ensure that, despite a limited number of interviews conducted, high

¹ Chemical: PRISME2 – Promoting Responsibility in SMEs; Construction: BRC – Building Responsible Competitiveness; Textile: Cosmic – CSR Oriented Supply-chain Management to Improve Competitiveness.

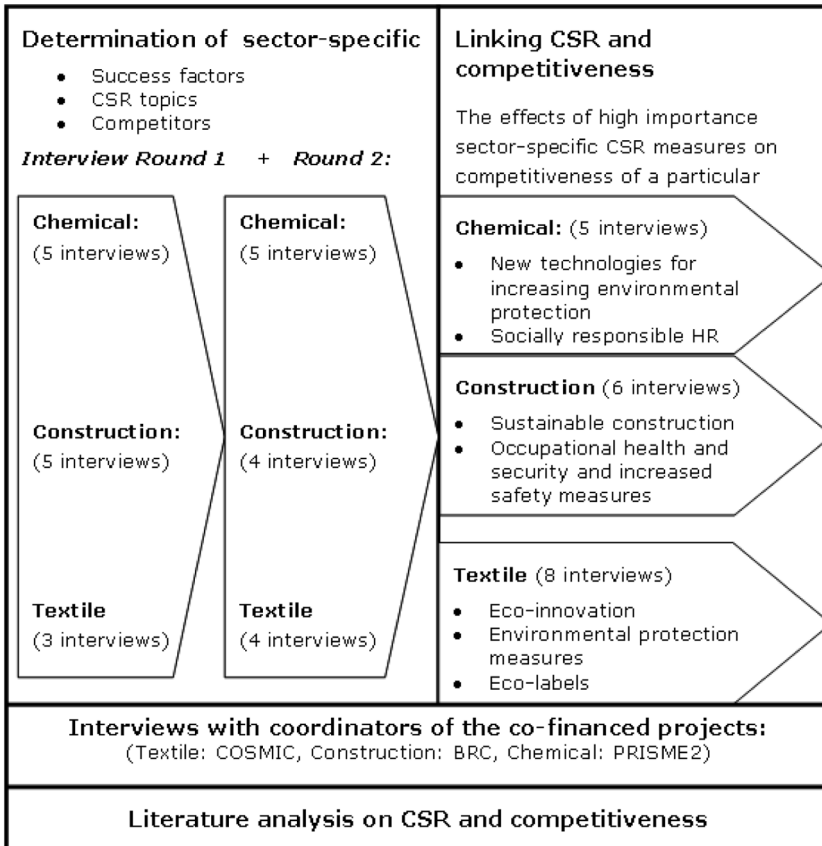


Figure 1: Methodology

reliability of results could be guaranteed. In addition, we conducted a few qualitative interviews with representatives of trade unions to mirror our results from another angle.

The interviews were analyzed applying methods of qualitative content analysis (Krippendorff 1980, Titscher et al 1998, Mayring 2000), which focussed on the objective, systematic and quantitative description of the manifest content of communication (Berelson 1971) and tried to identify substantive statements (Gilham 2000). The analysis was carried out by the research team based on transcripts of the core parts of the interviews, transferring this raw data into a standardized form, and making judgments about the meanings of contiguous blocks. The interviews were carried out and analysed in three survey periods (May/June 2009, October/November 2009 and Feb-

ruary/March 2010). The results of each series were used to assess the hypotheses from the previous round and to modify the questionnaire for the subsequent round of interviews (see figure 1). Therefore, this study applies certain characteristics of a Delphi research design. By doing so, we are confident that our results are robust, and that we have identified the most important areas of responsible competitiveness in the three sectors. However, our results are not statistically proven; thus, they should not be generalized.

The findings presented in this paper have already been published in more detail in the scientific series of the Research Institute for Managing Sustainability at the Vienna University of Economics and Business (Martinuzzi et al 2010). The results for the construction and the textile sector will be taken up in a Europe wide Delphi study, which will be carried out in the course of the EU-funded project IMPACT – Impact Measurement and Performance Analysis of CSR (see www.CSR-IMPACT.eu). The results for the chemical industry will be further processed in another Delphi study supported by the Austrian National Bank.

3 Conceptual considerations

The idea of businesses gaining competitive advantages through CSR is the core of the business case for CSR, and researchers as well as policy makers tried to describe the potential benefits of CSR: Zadek has put emphasis on four types of motivations of companies to engage in CSR: (a) to defend their reputation, (b) to justify benefits over costs, (c) to integrate with their broader strategies and (4) to learn, innovate and manage risks (Zadek 2000). In a later publication, he puts the focus on competitive dynamics of responsibility, describes the importance of Corporate Responsibility Clusters, and links CSR with organisational learning (Zadek 2006). This paper is part of a special issue of the scholarly journal *Corporate Governance*, which summarizes the fourth Annual Colloquium of EABIS dealing with Corporate Responsibility and Competitiveness on the macro-level (societies, countries, regions), meso-level (industry sectors and supply chains) and micro-level (firms). For the purpose of this study, the paper of Draper (2006) is of importance, as the author focuses on sector-level corporate responsibility. She developed five models for sector-wide approaches for responsible competitiveness: (1) the vision model (when sectors jointly develop a vision), (2) the leadership model (when one company is a pace in the front and the rest of the sector follows), (3) the thematic partnership model (when several companies in a sector try to jointly solve a problem), (4) the political model (when public CSR policies stimulate change in a specific sector), and (5) the education model (when CSR is incorporated in sector specific education programmes). Draper presents several case studies and describes the advantages and disadvantages of each of her five models. However, she does not highlight sector specific links of CSR and competitiveness.

Neither does the European Competitiveness Report 2008, which describes several areas where CSR could lead to increased competitiveness (e.g. through improved cost structure, better human resources, higher customers' loyalty, more innovations, effective risk and reputation management and the rewards of financial markets).

Aside from these theoretical considerations and policy papers, a broad variety of empirical studies examined the competitive advantage of CSR. Based on rather different definitions of both terms, and using various approaches and indicators, these studies came to rather different and sometime contradicting conclusions. Therefore, meta-analyses are seen as an important step forwards to achieving robust and far-reaching results, while other authors discuss the fundamental nature of CSR and competitiveness, its potential links and contradictions. Margolis & Walsh (2003) reviewed and assessed 127 empirical studies exploring the relationship of Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). They came to the conclusion that there are more findings suggesting a positive link, and only very little evidence of negative associations. Orlitzky/Schmidt/Rynes (2003) carried out another meta-analysis of 52 studies assessing the CSP-CFP link). They gave more detailed insights into the positive link based on the fact that CSP helps companies to build a positive reputation and goodwill with its external stakeholders, but also a positive feedback loop from CFP to CSP, constituting a virtuous circle for pro-active companies. Endrikat/Günther/Hoppe (2011) came to a similar result concerning the links of Corporate Environmental Performance (CEP) and Corporate Financial Performance (CFP) carrying out a meta-analysis of 119 studies, including ones which provided evidence for a positive relationship, a negative relationships or neutral results. Based on a meta-regression approach, the authors were able to identify a positive CEP-CFP relationship, which – again – constitutes a virtuous circle. (Endrikat/Günther/Hoppe 2011, p. 17). Vilanova/Lozano/Arenas (2009) conducted a literature review to explore the nature of the relationship between CSR and competitiveness and found learning and innovation as key links of CSR and competitiveness, explaining the virtuous circle that the other authors identified but did not describe in detail. Based on a focus group workshop with 35 senior officers from different societal groups, the authors expand their discussion to different paradoxes that characterize the tension between CSR and business practices, which are driven by the quest for increased competitiveness. Although synergies and contradictions are mentioned as such, the authors do not further expand on sector specific causes for these complex relations, which are in the focus of our study.

In more depth, the contradiction of CSR and competitiveness is discussed by Quairel-Lanoizelee (2011), who distinguished four approaches: (a) the traditional economics approach (which considers CSR as useless and even as a disguised form of protectionism), (b) mainstream CSR theories (which ignore competitive pressures), (c) the CSR business case (which she regards as a self-fulfilling prophecy) and (d) trade-off

approaches (which try to assess under which conditions CSR can lead to increased competitiveness by applying cost-benefit analyses). Based on a comparison of financial reports and CSR reports of 34 stock listed French companies, the author concludes that most of the companies follow a consensual logic of CSR, utilize CSR reports just as documents of self-promotion, and ignore (at least in their reports) that competition might be a constraint for CSR implementation. Although Quairel-Lanoizelee developed a much more sophisticated view on the links of CSR and competitiveness, she does not expand on sector specific links of CSR and competitive advantage.

Although the meta-analyses presented above found a virtuous circle between CSR and competitiveness, most of them just sketched first ideas on which intermediating factors these links are based on. One of the reasons for this rather fuzzy picture might be found in the fact that mostly studies did not focus on sector specific issues, but applied general terms in their empirical work, such as companies' size, geographical scope, risk, R&D intensity, advertising intensity, capital intensity, etc. The same is true for more critical studies as well: Although Quairel-Lanoizelee presents a far more differentiated picture of the links between CSR and competitiveness, discusses potential contradictions, and refers to many more theories of competitiveness than other studies (many of which might be characterized by Wood as „*data looking for a theory*“ (Wood 1991)), she does not expand on sector specific competition links of CSR and competitive advantage.

In our study we wanted to add a sector perspective to the current debate on responsible competitiveness by finding out what are the key drivers of competition in the respective sector, which CSR issues are of relevance, and in which areas CSR can contribute to the competitiveness of the respective sector. This required a clear understanding of both terms – competitiveness and CSR – but also a methodology that allowed us to „learn and speak the language of the respective sector“. Therefore, we developed a list of issues for both areas based on the most relevant debates in strategic management and CSR. To ensure that we link up with practice, we focussed more on content and concrete issues than on theoretical considerations.

3.1 Speaking about competitiveness

From a strategic management perspective, competitiveness can mainly be linked to three significant theories: the market-based view, the resource-based view and the relational view. Each of them focuses on different strategic success factors.

- In the market-based view, the competitive advantage of an organisation is related to the company's environment and its ability to establish entry barriers to potential competitors. Such entry barriers might occur in terms of price, quality and/or focus. Examples of price barriers are low production costs and economies of scales.

Quality barriers are, for example, reputation, quality characteristics and strong brand names. When it comes to focus, entry barriers are evident in cases where a company follows a niche market strategy and concentrates on specific product lines or targeted customer segments. Consequently, competitive advantage can either be gained through cost leadership, quality leadership and/or focus.

- The resource-based view links the strategic advantages of an organisation to its resources (Barney 1991), which are characterized by their strategic importance and the ability of organizations to use them more efficiently than competitors. Sustainable competitive advantage can only be generated through resources, which provide added value to an organization, are raw or unique, imperfectly imitable, and not substitutable. Among the most important, according to this view, are financial, physical, human and organisational resources.
- The relational view takes the concept of strategic resources one step further and adds a network focus. This approach focuses on the competitive advantages of inter-organisational relationships and networks, it emphasises that critical resources of a company might exceed its boundaries, and therefore are often embedded in inter-firm networks (Dyer et al. 1998).

In order to discuss the most relevant competitiveness concepts in our expert interviews, we developed an overview of strategic success factors, based on the three theories of competition:

Table 1: List of generic success factors used in our expert interviews

Market Based View	Resource Based View	Relational View
<ul style="list-style-type: none"> ● Market entry barriers ● High product quality ● Cost leadership strategies ● Low production costs and low labour costs ● Brand value and reputation ● Good value for money ● Differentiation strategy ● Niche market strategies ● Flexibility and fast response to market changes 	<ul style="list-style-type: none"> ● Financial resources ● Human resources and organizational culture ● Efficient processes ● Technologies and machines ● Research & Development ● Access to raw materials ● Location ● Information, control systems, and effective risk management 	<ul style="list-style-type: none"> ● Strategic alliances and networks ● Efficient supply chain management ● Free-trade areas ● Good relations to policy makers and stakeholder groups ● Customer relations ● Excellent customer service

The issues listed in table 1 were mirrored in the second part of our interview guideline and amended by the following questions:

- How does the construction/chemical/textile industry influence Europe's industrial competitiveness as a whole?
- Do you regard strategic success factors to be stable over time or do you think that globalization (or any other drivers) affect key strategic success factors? In case you suggest that strategic success factors are not stable over time, please indicate their influencing factors and state in what way they affect them? Which consequences are to be drawn with regard to that change?
- Are there any forthcoming strategic success factors you expect to gain more importance within the next 5-10 years? If yes, please indicate which ones?
- Would you say that the strategic success factors are equally relevant for all sub-sectors within the construction/chemical/textile industry or are there any differences between them?
- From which of the following industries is the construction/chemical/textile industry facing greatest competition: industries of a different kind, industries in non-European developed countries, industries from developing countries?

We attached great importance to starting the interviews by inquiring about the competitive situation in the respective sector, and not with CSR issues, in order to focus our interview partners first on the „rules of the game“ before discussing CSR within these framework conditions.

3.2 Speaking about CSR

About forty years ago, Votaw (1972) noticed that „*corporate social responsibility means something, but not always the same thing to everybody*“ (p. 25). About twenty years later, Carroll (1994) confirmed this situation by stating that the CSR discipline is „*an eclectic field with loose boundaries, multiple memberships and differing training/perspectives; broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary*“ (p. 14). Fifteen years later, Henderson (2001) affirmed that „*there is no solid and well-developed consensus which provides a basis for action*“ and just a few years ago, Okoye (2009) stated that „*CSR as a concept is sometimes perceived as fuzzy, unclear and contested*“ (p. 614).

To explain and define CSR, researchers had so far applied different methodological approaches: Some were summarising existing definitions (e.g. Carroll 1999; Moir 2001; Joyner & Payne 2002; Carter & Jennings 2004), others were conducting interviews (e.g. O'Dwyer, 2002; Johnston & Beatson 2005), analyzing research papers (e.g. Dahlsrud 2008, Montiel 2008, Taneja/Taneja/Gupta 2011), or dealing with the development of a CSR definition through theoretical reasoning (e.g. Göbbels 2002; Van Marrewijk 2003; Matten & Crane 2005). These efforts are hampered by the fact that a

broad variety of terms evolved which deal with rather similar corporate activities but see them from different angles, apply competing conceptual frameworks, and discuss them in different research communities (e. g. corporate sustainability, business ethics, stakeholder management, corporate citizenship, corporate governance, shared value).

In the scientific debate, most of the authors refer to theoretical models and different levels, dimensions or perspectives (e. g. Carroll's pyramid of corporate responsibilities (Carroll 1991), Frederick's CSR1/CSR2/CSR3/CSR4 concept (Frederick 1978, 1986 and 1998), Schaltegger/Burrit's discussion on CSR versus Corporate Sustainability (Schaltegger/Burrit 2005). These approaches often do not reflect the perception of CSR within companies and sectors. Therefore, we wanted to focus more on content issues of CSR, differentiating between CSR and non-CSR at the same time. We based our questionnaire on the EC definition, and refer to the most known guiding documents and standards for CSR. Based on the EC definition, we defined CSR as a voluntary business contribution to the societal guiding model of sustainable development and an active corporate engagement that goes beyond legal compliance (European Commission 2001, 2002, 2008b). In addition we developed an overview of CSR topics derived from the most commonly applied CSR guidance documents, e.g. OECD Guidelines for Multi-National Enterprises (2000, 2008), Global Reporting Initiative (GRI, 2000-2006), UN Global Compact, ISO 26000 (2008), SA 8000, UN Human Rights Norms for Business (2003) and the ILO Declarations (1998, 2001).

The issues listed in table 2 were mirrored in the second part of our interview guideline and amended by the following questions:

- Are there any forthcoming potential CSR issues (other than the ones listed above) you expect to gain more importance in your industry within the next 5-10 years? If yes, please indicate which ones?
- Are the CSR issues equally significant for sub-sectors of the construction/chemical/textile industry?
- Which could be major drivers for sector-based CSR? What are the major obstacles/challenges for sector-based CSR? What is needed to overcome these challenges?
- From which of the following stakeholders is the construction/chemical/textile industry facing the greatest pressure with regard to CSR: trade unions, consumer organisations, environmental NGOs, social NGOs, policy maker on a national level, policy maker on EU level and on national level, academia, media.

After discussing the competitive situation in the respective sector and the most important CSR issues, we combined the results² and identified areas in which CSR

² This link was done in parallel to carrying out the interviews as one member of our research team conducted the interview while another one analysed the answers and adapted the third part of the questionnaire accordingly.

Table 2: List of generic CSR topics used in our expert interviews

<p>CSR – Economic topics:</p> <ul style="list-style-type: none"> ● Pursue sound corporate governance practices ● Ensure transparency through economic, social & environmental reporting ● Engage in fair competition ● Foster innovation ● Combat bribery & corruption ● Employ Socially Responsible Investment ● Protect intellectual property rights ● Offer safe and high-quality products/services ● Foster sustainable consumption & production ● Implement sound risk management systems <p>CSR – Social topics</p> <ul style="list-style-type: none"> ● Engage in fair and efficient Human Resource Management ● Guarantee safety, occupational health & security ● Respect freedom of association ● Abandon discrimination & encourage diversity ● Respect consumer interests 	<p>CSR – Environmental topics</p> <ul style="list-style-type: none"> ● Support the protection of air and water, land biodiversity ● Minimize the amount of toxic substances, emissions, sewage and waste ● Conserve natural resources, apply renewable energy & avoid the usage of raw materials ● Engage in climate protection ● Boost innovation for improvement in efficiency ● Consider the whole product life-cycle, facilitate reusability & recyclability of products <p>CSR – Global topics</p> <ul style="list-style-type: none"> ● Raise stakeholders awareness for social & environmental topics ● Practice sound stakeholder management ● Facilitate sustainable supply chains ● Respect Human Rights ● Engage in poverty reduction ● Involve in the development of public policies
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could lead to increased competitiveness. This process was supported by the following questions:

- Considering the most important CSR issues you have mentioned before, how could a pro-active engagement in these areas lead to increased competitiveness (a) of an individual company and (b) of the whole sector?
- What initiatives would be necessary in order to gain sector-wide competitive advantages from CSR? Which measures could be taken at sector level, by national governments and of EU level?

In the following chapter we present the most important findings of our interviews as well as a summary of a literature-analysis on CSR and competitiveness in the three sectors we assessed.

4 Findings on responsible competitiveness in three European industrial sectors

4.1 Responsible competitiveness in the chemical sector

4.1.1 Literature analysis

Most articles on competitiveness of the chemical industry focus on specific case studies, or analysis of one factor and its effects on e.g. company's economic performance, and some homogeneity can be observed. Most importantly, all studies mention technological progress and innovation as very important factors for the chemical industry's success.

Table 3: Literature on competitiveness and success factors of the chemical sector

Focus	Source	Year
Bio-based economy (industrial biotechnology & knowledge based bioeconomy), Information and Communication Technologies, Nanotechnology	SusChem	2006
Innovation, research & development, international trade regulations, energy, collaboration, strategic alliances, technology	European Commission	2005
Technologies in R&D, responsible care activity	Kawachi	2004
Innovation, technology, market understanding, corporate culture, reputation	O'Driscoll	2004
Entering niche markets through custom chemicals manufacturing, relationships with suppliers, formation of strategic partnerships, adaptation of advanced technology/research, emergence of virtual firms	Guisinger et al.	2004
Technological & business innovation, cleaner production	Eder	2003
Political environment, new markets, technology, human resources, low-costs, R&D, contracting SMEs, service orientation	Simon & Sohal	1995

Eder (2003) especially has highlighted the importance of innovation as a key driver for the chemical industry and company competitiveness, and has described the opportunities that innovation for cleaner production and eco-efficiency present for the chemical industry. While Kawachi (2004) analyses it from the perspective of one case study on Sumitomo Chemical, Simon and Sohal (1995) determine technological development as one of the main factors that will improve South African chemical industries competitiveness in the light of increase competition. Environmental responsibility has been identified by Kawachi (2004) and Eder (2003) as not only important to the chemical industry or company competitiveness, but also as an indispensable part of doing business in the chemical industry. Kawachi in his case study of Sumitomo Chemical has furthered this claim by arguing that engagement in programmes like Responsible Care has an added value to the company by increasing the trust in the company as well as having a positive effect on the quality of its products. Simon & Sohal (1995), Guisinger et al. (2004) and the European Commission in its staff working document 'European Industry: A Sectoral Overview' (European Commission 2005) mention the importance of the supply chain relationships. The High Level Group set up by the European Commission in 2007 has been conducting sound analysis of the competitive position of the European chemicals industry until 2009, when it published its final report with some 40 recommendations for policy and industry. Among those, the High Level Group highlighted three main areas: innovation and research, responsible use of natural resources, and open markets with fair competition, as being key for securing the future leading competitive position of the European chemical industry. The report has also emphasised that the provided recommendations have not only been identified as helping the chemical industry get through the effects of the global economic crisis, but also as the key areas that can secure the chemical industry's future. The recommendations are far reaching and cover a wide range of areas that have also been the focus of this study. These include the need for attracting talent, dependency on the cost of raw materials, increasing stakeholder trust, and improving energy efficiency. These are all suggested as measures that would help the industry in responding to the increasing global challenges it faces (European Commission 2009).

Most of the literature on CSR issues in the chemical industry focuses on environmental protection, especially in terms of emissions and health and safety as prime CSR concerns for the chemical sector.

SusChem (2006) expands the view on emissions and health and safety by considering the issues faced by chemical distribution, namely transport and, consequently, fuel efficiency. Foerstl et al. (2010) focuses specifically on sustainable supply chain issues in the chemical industry. In addition they analyse a number of companies that have experienced environmental or social incidents and the relation of their performance in sustainable purchasing and sustainable supply management to competitiveness.

Table 4: Literature on CSR issues in the chemical sector

Focus	Source	Year
Ecological and social dimensions of sustainability in supply chain management	Foerstl et al.	2010
Environmental, worker health and overall safety issues	Conzelmann	2010
Chemicals risk management, consumer safety and environmental health.	Kallenberg	2009
Environment (emissions), safety (hazardous substances)	Berland et al.	2008
Environment, health & safety, risk communication strategies	Capriotti	2007
Environment (emissions), health & safety	European Commission	2007b
Energy, healthcare, sustainable quality of life, sustainable product and process design, transport	SusChem	2006
Environmental pollution, toxic waste, human health and community dialogue	Acutt et.al	2004

The study concludes that sustainable supply chain management could be a source of competitive advantage in terms of reputation risk management and operational performance; however there exists a first mover advantage.

Acutt et.al (2004) and Conzelmann (2010) analyse CSR in the chemical industry from the perspective of the Responsible Care initiative. In their analysis on Mexican and South African chemical companies, Acutt et al. (2004) conclude that the chemical industry mainly focuses on environmental issues covered by Responsible Care initiative, while social issues are often limited to community dialogue. Moreover, the study also identifies the key challenges for the chemical industry in taking CSR further: credibility, stakeholder engagement, value-chain accountability, disclosure and transparency. Conzelmann (2010) analyses the Responsible Care initiative from the point of view of its development to serve the main purpose: „*to deflect public criticisms and potential government regulation*“ (Conzelmann 2010, p. 8). He suggests that initiatives like Responsible Care can help „operationalize“ the diverse CSR issues that are dominating the debate down to firm level, as well as act as a platform to share experiences and monitor each member’s performance. This is also in line with the study of Swedish chemical companies conducted by Kallenberg (2009), identifying that environmental issues and consumer safety have been the most addressed

issues in the Swedish chemical industry, mainly because of stakeholder pressure, regulatory burden and PR considerations.

4.1.2 Interview results

The main driver of competitiveness of Europe's chemical sector is innovation (of products and production processes) on the one hand, and availability and low prices of raw material and energy on the other. Competition takes place mainly within Europe, and competition from outside Europe is only relevant for basic chemicals. As only 11% of the chemical sector produces consumer goods, loyalty of consumers is not an important success factor. Health, safety and environmental protection are the main societal concerns, as the chemical industry is highly resource intensive, its products have multiple and long-term effects on human health, and it deals with dangerous production processes. Some fatal accidents in the late 1980s pushed chemical companies to new ways of rebuilding trust. The implementation of the 'Responsible Care' programme helped deal with stakeholder pressure and prepare for anticipated stricter environmental regulation. The chemical sector shows a huge potential for linking CSR and competitiveness, as innovation, resource availability, trust, and the license to operate are located in the very core of firms' economic success:

- Innovation requires financial and highly skilled human resources as inputs, and leads to more efficient technologies, creating the potential to link environmental protection and competitiveness.
- The life cycle approach addresses scarcity and increasing prices of raw materials, and is therefore another way of linking CSR and competitiveness by tracing areas for product and service improvement and by improving supply chain efficiency. In both areas, a circular dynamic was identified by our interview partners, as CSR can most often be fully exercised and bring most benefits to companies that are already successful and competitive.
- Issues of health and safety that traditionally fall under the scope of CSR have evolved to being an indispensable part of doing business in the chemical industry, and are now essential to the company's survival or at least have become inseparable from good risk management.

Most of the experts have agreed on the promotion of a voluntary nature of CSR, however, they advocated for a shift towards incentives for businesses to engage in CSR, mainly inspired by the financial crisis. Experts suggested that companies would very positively respond to financial incentives or information on financial benefits (possibilities of financing) of CSR rather than information on the operational benefits of CSR. Moreover, it was suggested that a change from the punishment and pressure approach to recognition and reward could also improve CSR uptake. These recommendations are summarised in the table below:

Table 5: Measures suggested to further increase Responsible Competitiveness in the chemical sector

Level	Measures suggested by interview partners
EC and national governments	<ul style="list-style-type: none"> ● Balance pressure and rewarding mechanisms – recognising the companies that have implemented successful CSR programmes ● Providing financial incentives to engage in CSR (audit burden reduction, tax reduction etc.) ● Providing special assistance for SMEs who engage in CSR (e.g. through tax breaks) ● Fostering education on CSR issues to root it into all business practices
Chemical sector	<ul style="list-style-type: none"> ● Providing more information on the benefits of engagement in certain CSR programmes (not operational as much as financial) ● Disseminating information on successful programmes from SMEs, rather than big multinationals, to increase the relevance of CSR for SMEs ● Fostering education on CSR issues to root it into all business practices

In a nutshell, the chemical sector shows a huge potential for linking CSR and competitiveness, as innovation, resource availability and the license to operate are located in the very core of firms' economic success. CSR policies in this sector should therefore focus on supporting and promoting innovation, on implementing health and safety standards and on ensuring high (eco-)efficiency.

4.2 Responsible competitiveness in the construction sector

4.2.1 Literature analysis

Most of the literature and studies conducted on critical success factors in construction industry focus on the critical success factors in construction projects from the point of view of project management (Jin et al. 2005, Toor et al. 2008) where cost, time and quality play the major role. Other studies have opted to analyse the success factors in sub-contracting relationships (Errasti et al. 2006, Ng et al. 2008, Ng et al. 2009) or of construction sub-contracting firms themselves (Ng et al. 2008, Ng et al. 2009).

Table 6: Literature on competitiveness and success factors of the construction sector

Focus	Source	Year
Timely completion, profit, programme/planning, cash flow, management level leadership	Ng et al.	2009
Business management, financial conditions, quality of work and workmanship, sales and marketing, use of technology, market selection and owner-manager characteristics.	Arslan et al.	2008
Integration of standards-based management systems, health standards, environmental management	Griffith et al.	2008
Market position; equipment-related factors; human resources; earnings; managerial ability to adapt to changes; project success	Ng et al.	2008
Comprehension, competence, commitment, and communication	Toor et al.	2008
Partnering: collaborative team culture, a long-term quality focus, consistent objectives, resource-sharing	Chen et al.	2007
Development of partnerships with sub-contractors, efficient supply chain management, quality, cost, service, concurrent engineering	Errasti et al.	2006
Adoption of computer technology	Rowlinson et al.	2006
Cost, schedule, quality and relationship	Jin et al.	2005
Innovation, good contract negotiations	Egbu	2004
Introducing new technologies, competence development	Andersen	2004

Toor et al. (2008) and Arslan (2008) are among the few who have focused on the critical success factors of construction companies as a whole. Toor et al. identified relationships with stakeholders as being key, while Arslan et al. took a much broader view and determined critical success factors in an empirical analysis of 40 Turkish construction firms where again planning and organisation was perceived as the most important success factor in construction. Griffiths et al. (2008), in a study based on the UK, has expanded the debate in arguing that it has become essential for construction contractors to consider environmental aspect of their business to remain competitive.

They did, however, acknowledge that the construction company's competitiveness remains reliant on cost of building rather than environmental performance. In terms of specific actions, the European Construction Technology Platform (ECTP), launched in 2004, is one of the main initiatives taken by the European Commission to maintain construction industry's competitiveness. It focuses on analysing the major challenges faced by the sector in terms of societal, economical and environmental developments, and on developing research and innovation strategies for the sector to deal with these issues. Moreover, sustainable construction is one of the EU LEAD market initiatives, with the aim to foster innovation and sustainable construction by providing a coherent basis of regulations, standardisation, and public procurement as well as upgrading of skills of construction workers. Thereby, a transformation of consumers' preference towards sustainable construction as well as of supply chains is expected. Furthermore, companies have to follow the new EU regulations on public procurement (Directive 2004/17/EC and 2004/18/EC), which highlights transparency and includes an improved consideration of environmental and social factors for the contract awarding procedure and public private partnerships.

Table 7: Literature on CSR issues of the construction sector

Focus	Source	Year
Feasibility studies and environmental and social performance	Shen et al.	2010
Environment (pollution of air & water, traffic), health & safety (disruption of life-quality), security, community engagement	Glass et al.	2007
Health & safety (site-based work-family conflict, emotional exhaustion, burnout), fair working hours & adequate compensation (long work hours)	Lingard et al.	2007
Training & education (no sufficient trainings due to a high number of self employed workers, skills shortage), gender equality, health & safety, environment (waste, pollution, energy, use of natural resources), sustainable supply chains	Jones et al.	2006
Bribery & corruption (shadow bookkeeping, illegal price agreements, evasion of taxes, development of cartels), sustainable supply chains, stakeholder management	Kolk et al.	2006
Environment (Energy & Waste), safety, ISO 14001	Wenblad	2001

The studies on CSR in the construction sector do not show a great deal of homogeneity. However, two issues are quite prevalent; namely environmental and health and safety issues (Wenbald 2001, Jones et al. 2006, Glass et al. 2007, Shen 2010).

Kolk et al. (2006) and Glass et al. (2007) focus specifically on stakeholder management and community relations practices, respectively, within the construction industry through case studies. The latter focus has identified that often the employees of construction companies lack knowledge and training when dealing with the community. Lingard et al. (2007) have analysed one specific issue of ethical human resource management from the point of view of the employees. A case study of the UK construction industry conducted by Jones et al. (2006) indicates that the consideration of CSR can help to reduce costs by reducing energy use, water use and by applying health and safety measures and training of workers in order to complete contracts on time and to budget. Nevertheless, it is pointed out that due to the fierce competition in the construction industry, companies need to balance CSR commitments with their commercial goals.

4.2.2 Interview results

The construction sector is characterized by the temporal character of a construction site (and the high number and diversity of companies involved), by fierce price competition, by high labour intensity (with short-term labour contracts, seasonal work and wage dumping), by the outstanding role of public procurement, and by the long lifetime of the end product (with the respective effects on energy consumption, health of residents, etc.). As construction remains primarily a local industry with a majority of small and medium sized enterprises, the competition with companies outside Europe is negligible.

Differences in terms of the importance of the success factors were highlighted as follows: For infrastructure and public private partnership projects, financial resources, technology, R&D, low production costs and low labour costs, and alliances and networks are key. For utilities projects, where long-term maintenance is needed (e.g. hospital, airports), excellent customer service and excellent quality are essential, while SMEs have to focus on niche market strategies and differentiation in order to be competitive. Three actors play a prominent role in shaping the environmental and societal impacts of construction and in deciding on its cost structure: the property developer, the general contractor and the future user. CSR measures are implemented only if at least one of these key actors requires them. If none of them perceives CSR measures are essential, societal responsibility is seen in contradiction to the high pressure for low costs, which are the most decisive factor for competitiveness in the construction sector. This tension is mirrored in all three areas of responsible competitiveness that we focused on in the construction sector:

- CSR measures for occupational health, security and safety can prevent interruption of work and help to meet deadlines, and therefore improve efficiency. However, respective measures are often poorly controlled on all levels of the subcontracting chain, and safety standards are often not implemented.
- Anti corruption measures positively affect companies' reputation, reduce the risk of being banned from future tendering processes and increase efficiency through improved cost transparency. However, companies that commit themselves to compete fairly can lose out on their competitiveness when corruption is „part of the game“.
- As long as sustainable construction and accordingly eco-compatible buildings are not the norm, there is a good opportunity for product differentiation in high price market segments. Life-cycle costing is an innovative approach to take future costs (e.g. energy, maintenance and repair) into consideration.

Experts have suggested the following measures to be pursued in order to strengthen the positive link between CSR and increased competitiveness:

In a nutshell, CSR measures will be implemented in the construction sector when the three main driving forces – clients, property developers and general contractors – demand it. Public CSR policies in this sector should lead by example in public procurement processes, establish standards (e.g. for energy consumption), enforce the implementation of existing norms and regulations (e.g. occupational health and safety), and combat corruption.

Table 8: Measures suggested to further increase Responsible Competitiveness in the construction sector

Level	Measures suggested by interview partners
EU and national governments	<ul style="list-style-type: none"> ● Same level of health and safety standards' implementation for the construction industry across Europe. ● EU financial support for national incentives and prioritisation of sustainable building ● Stronger inclusion of ecological and social criteria in public procurement and stronger and more effective control thereof. ● Incentives for sustainable construction either directly to companies or indirectly to customers ● Tax incentives for companies engaging in sustainable construction. ● Stronger and more effective control mechanisms on workers' safety and concerning corruption. ● Sustainable construction legislation

Table 8: Measures suggested to further increase Responsible Competitiveness in the construction sector (continued)

Level	Measures suggested by interview partners
Construction sector	<p>Sector level</p> <ul style="list-style-type: none"> ● Transparent behaviour and anti-corruption measures on sector and firm level. ● Sector-wide health and safety standards and their control. ● More knowledge sharing and access to R&D for SMEs in order to foster sustainable construction. ● Identification of sector-wide specific CSR topics and training especially for SMEs. Especially SMEs are in need of practical CSR tools e.g. safety trainings, continuous training on sustainable construction. ● CSR in its concrete forms should be part of education of construction industry workers. <p>Cross sector level</p> <ul style="list-style-type: none"> ● Cross-sectoral cooperation with architects, consultants, material providers etc. on sustainable construction. ● Better and simplified labelling and accreditation of construction materials in terms of their sustainability performance and safety.

4.3 Responsible competitiveness in the textile sector

4.3.1 Literature analysis

Most studies focus on specific companies, or countries and the effects of one or the other tool or management approach on the competitiveness of the textile industry. What emerges as a more common theme is the importance of efficient supply chain management and cooperation for the textile industry (Seuring 2004, Sohal et al. 1998).

One of the key challenges for the European textile sector according to Stengg (2001) is the high cost structure in comparison to competitors from outside the EU, due to higher wages and higher legal standards regarding health, safety and environment. Responsible behaviour, in terms of health, safety, and environment, is not adequately rewarded by consumers (Euratex, 2006). The European Commission set up a High Level Group (HLG) on textiles and clothing already in 2004, in response to deteriorating competitiveness of the European Textile industry due to increased globalisation and competition from outside Europe. The HLG identified 36 recommendations

Table 9: Literature on competitiveness and success factors of the textile sector

Focus	Source	Year
Innovation, development of new products, versatility, quality, cost	Montava et al.	2010
Labour costs, industrial excellence, information technology, product and process development, efficient supply chain management, customer orientation, knowledge management, human resource management, quality, flexibility	Bilalis et al.	2007
Fast responsiveness to market changes in fashion apparel, flexibility, market knowledge, collaborative supply chain networks, shortening lead times, speed-to-the market deliveries	Oh et al.	2007
Industry such as quality, flexibility, supply chain management, strategy formulation and implementation	Bilalis et al.	2006
Labour-intensive vs. capital-intensive textiles	Kilduff & Chi	2006
Innovative products and process especially in technical textiles, fashion and creativity, product quality, R&D, education, human resources, efficient use of resources, customisation, protection of intellectual property	Euratex	2006
Niche marketing strategy, thorough understanding of targeted consumers	Parrish et al.	2006
High technology fibers and innovative textiles	Adler	2004
Outsourcing to Eastern and Central Europe	Guercini	2004
Innovation, quality, creativity, design and fashion, ICT, E-commerce,	Stengg	2001
Inter-organisational systems, collaborative strategies, Electronic Data Interchange	Dhillon	2000

in order to boost European textile industries competitiveness in the areas of internal regulatory and market issues, education, training and employment, intellectual property rights, regional aspects, research and development, and innovation and trade policy. The progress of implementing these recommendations has been reviewed in the second report of the HLG on textiles and clothing in 2006 (European Commission 2006). Regarding the harmonization of internal regulatory measures, the HLG report

2006 identified the need of harmonisation of the requirements posed on European manufacturing by REACH with those that the imported goods face. Increasingly, the European textile industry is affected by several EU legal acts (European Commission 2010b) such as Directive 2008/121/EC of 14 January 2009 on textile names, the Directive 96/73/EC of 16 December 1996 on certain methods for the quantitative analysis of binary textile fibre mixtures, the Integrated Pollution Prevention and Control Directive, Emission Trading System Directive, the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the Proposal for a new Regulation of the European Parliament and of the Council on Textile Names and Related Labelling of Textile Products. The aim of these legal acts is to harmonize the internal market with regard to names, composition and labelling of textile products, in order to have a transparent and functioning EU market and to protect customers. Furthermore, the report of the HLG on textile and clothing in 2006 pointed out that the textile industry, as well as other manufacturing industries in Europe, will be affected by the upward spiralling energy prices and the increasing scarcity of natural resources, which will lead to an increase of costs. In general, the report of the HLG has identified that there was still much to be done in the textile industry in terms of its competitiveness. Moreover, the HLG called for more effort in projecting a more optimistic view of the textile industry, which in turn would improve the availability of credit for the industry. In terms of future industry perspectives, the industry itself has been identified as the potential driving force towards changing and adjusting the sector to global developments. The HLG named customised and technical textiles as major markets of opportunity for the textile industry. CSR is expected to gain more importance in dealing with future challenges of the European textile industry (European Commission, 2006).

Literature on CSR in the textile sector is centred around sustainable supply chains (Perry et al. 2009, Pretious et al. 2006) and labour rights (Perry et al. 2009, Turcotte et al. 2007, Lobel 2006) as CSR issues, and global introduction of standards and code of conducts by mass retailers and MNEs as main tools of CSR (Gunay et al. 2009, Perry et al. 2009, Van Yperen 2006). Most authors also agree that the pressure from NGOs, society and media and the deriving risk of a damaged reputation was stated as the major drivers towards the implementation of code of conducts on the side of companies (Lobel 2006, Pretious et al. 2006, Turcotte et al. 2007, Perry et al. 2009).

Lobel (2006) argues that finding the right balance between profitability and social and environmental goals requires the involvement of governments, industries and civil societies, and standards can be seen as one important measure towards social change. While Turcotte et al. (2007) claims that the development of standards is a dynamic process, and some standards may loose power over time and new ones emerge. Little literature is available from the point of view of textile manufacturing specific CSR issues (e.g. energy efficiency, waste management) as most studies focus on retailers and apparel industry.

Table 10: Literature on CSR issues in the textile sector

Focus	Source	Year
Environmental and social standards	Gunay et al	2009
Retailers standards on CSR, sustainable supply chains, fair labour conditions (lower labour turnover, better quality workers), strategic alliances	Perry et al.	2009
Ecological footprint	Herva et al	2008
Life cycle assessment	Nieminen et al. 2007	2007
Human rights, labour rights, health & safety	Turcotte et al.	2007
Innovation for improvement in efficiency (responsible, ethical and environmentally safe production), protection of human rights (unfair labour conditions)	Lobel et al.	2006
Ethics in industrial purchasing, fair working hours & adequate compensation (minimum wages, excessive overtime, exploitation of workforce), protection of human rights (sweatshops, child labour), health & safety, bribery & corruption, sustainable supply chains	Pretious et al.	2006
Environmental (oil, soil for cotton yielding) and social resource usage (labour)	Müller-Christ, Gandenberger	2006
Resource use, high waste volumes, water use, toxic chemicals	Alwood et.al	2006
Overview of various standards	Van Yperen	2006

4.3.2 Interview results

The European textile industry has been facing a long period of decline, rising global competition, and relocation to low income countries. Compared to China and India, the European textile industry is disadvantaged due to high labour costs and higher environmental standards. Therefore, a strategy of cost leadership is impossible. To survive in this difficult situation, the European textile manufacturers specialize either in high-tech industrial textiles or in high-end fashion markets. For the sub-sector of industrial textiles, cradle-to-cradle and energy-efficient production are the two most important types of eco-innovation and therefore of CSR. Examples include:

recycling of textile products, minimisation of toxic substances, alternatives for existing raw materials, waste reduction, reduction of energy usage, renewable energy, and considering the product life cycle. In high-end fashion, a few manufacturers of branded goods play a central role by setting trends and investing substantial amounts in PR and communication. They have the economic potential and the credibility to communicate CSR issues to consumers, to create and establish market niches for manufacturers, and to integrate CSR issues into the common practice of the sector. In so doing, eco-labels could play a crucial role.

- Linking CSR and competitiveness in the area of industrial textiles shows certain similarities to the situation of the chemical industry, as innovation is a strategic success factor. To gain competitive advantages, investments in R&D are necessary, requiring financial resources and skilled staff. As a result, the production costs are expected to decrease, the product quality should improve, and the environmental impact should be reduced. As industrial textiles are sold only business-to-business, the companies' image is not a highly important driver of CSR.
- In the market segment of high-end fashion, eco-friendly products and eco-labels are perceived as opportunities for niche market strategies, but recently not for mass markets, as high social and environmental standards lead to higher production costs. However, there is a certain ambiguity, as consumers expect more eco-friendly and socially responsible products, but are often not willing to pay more for them. In addition, there are many labels that confuse consumers and undermine consumers' confidence in CSR in the textile sector.

In order to transform the European textile industry into a socially and eco-friendly industry, experts agreed that it takes more than a drive for niche market strategies of few companies. Experts suggested the following measures in order to increase the take up of CSR in the textile industry.

In a nutshell, linking CSR and competitiveness in the textile sector can be achieved by establishing niche markets in the globalized competition. Experts see a need for clear standards and public communication initiatives in order to increase the positive effects of eco-labels on competitiveness in the textile sector. Therefore, public CSR policies have to care for quality control and ensuring credibility.

Table 11: Measures suggested to further increase Responsible Competitiveness in the textile sector

Level	Measures suggested by interview partners
<p style="text-align: center;">EC and national governments</p>	<p>Global agreements</p> <ul style="list-style-type: none"> ● Taxes on CO₂ emissions/energy tax, which apply for imported products as well. ● High European environmental standards should be applied for imported products from non-EU countries as well. <p>Tax reductions and incentives:</p> <ul style="list-style-type: none"> ● Reduced taxes for companies applying renewable energy and producing environmentally and socially sound products. ● Financial support for R&D especially for SMEs and better transfer of R&D results to companies. ● Incentives for investments in eco-friendly production and innovation. ● Facilitate the implementation of strict and independent monitoring and control systems throughout the supply chain.
<p style="text-align: center;">Textile sector</p>	<p>Strategic alliances/networks:</p> <ul style="list-style-type: none"> ● Closer cooperation regarding R&D and innovation within the industry and with other industries (electronic, chemical, end-user industries of textile companies) in order to provide new innovative products and potentially reduce costs. ● Closer cooperation with retailers and distributors as they are dealing directly with end-consumers. ● Joint codes of conduct with suppliers outside the EU. <p>Exchange of best practice examples:</p> <ul style="list-style-type: none"> ● Exchange of best-practice examples. Especially SMEs need support on CSR and how CSR could be an opportunity. <p>Cooperation with other stakeholders</p> <ul style="list-style-type: none"> ● Joint promotion of eco-friendly products throughout the supply chain together with EU and NGOs. It takes efforts of the textile industry, retailers, the EU, national governments and stakeholders to work together to change consumer patterns. ● Cooperation with NGOs to improve social and environmental production also throughout the supply chain. ● Stronger involvement of textile representatives in national and EC policy making.

5 Conclusions and outlook

Carroll & Shabana (2011) asked for more in-depth research on the mediating variables and situational contingencies that influence the relationship between CSR and economic performance of businesses. Our study tried to take up this request by shedding light into the sectoral specific situation concerning competitiveness and CSR. It is based on the knowledge of sectoral experts from research and business associations, concerning competitiveness and success factors of three European industrial sectors. Based on this in-depth understanding of the specific „rules of the game“ in the respective sectors, CSR issues were identified which have a high potential to increase competitiveness of an individual company as well as of the whole European industry sector. We tried to „talk the language of the respective sector“ in order to specify CSR and competitiveness at a level of abstraction which seems more appropriate to us than general models and definitions (as described in chapter 4). Based on these specific findings, we can now compare the three assessed sectors in order to find similarities and differences. At first sight, a number of similarities between the three sectors could be found, for example: high importance of low production costs and niche market strategies for high end products. However, the driving forces of competitiveness strongly differ from sector to sector. The chemical industry is driven by innovation and the challenges of responsibly handling dangerous substances. The constructions sector has to balance an enormous pressure for low costs, on the one hand, and societal demands on the other. The textile sector is shaped by global competition, leaving two main market niches for European manufacturers: industrial textiles and high-end fashion. As a conclusion, we suggest to follow a sector specific approach in designing and implementing future CSR policies, taking into account the different „rules of the game“ and addressing the different competitiveness issues and societal demands regarding the respective sector. This could be achieved with the help of sectoral initiatives and sector-based business associations, as well as by implementing public CSR policies on the national and EU level.

5.1 Sector specific public CSR policies and initiatives

Public policies show a great variety of approaches in linking CSR and competitiveness: they can trigger corporate investment decisions by financial stimuli, raise consumers' awareness, ensure credibility, focus on the state's own activities or try to improve transparency and disclosure (Fox/Ward/Howard 2002; de la Cuesta-Gonzales/Valor-Martínez 2004; Albareda/Lozano/Ysa 2007; Peters/Welzel/Höcker/Scholz 2007; Albareda/Lozano/Tencati/Midttun/Perrini 2008; Steurer 2010, Knopf et al 2011, Steurer/Martinuzzi/Margula 2011). If public CSR policies aim at fostering responsible competitiveness, they should address the driving forces of competition in specific industrial sectors, take the key actors involved into account and aim at trig-

gering their decisions. A framework for linking the debate on public CSR policies and their impacts on competitiveness is currently missing, and might be an important issue for future research.

In addition to public CSR policies, business driven CSR initiatives might play an important role. As CSR issues are highly sector specific, a series of sector specific, agenda-setting processes could support the integration of CSR into the strategic decisions of companies. This may also help to avoid consumers' impression that companies can pick and choose CSR activities and ignore the areas where the most societal or environmental concerns are evident. Involving stakeholders and communicating strengths, weaknesses, threats and opportunities of the respective sector would ensure transparency and help to gain the trust of the general public. Individual companies could develop and implement their CSR strategies with reference to a sector specific CSR agenda. Corporate CSR measures could more easily be evaluated if they are in line with the sector agenda, and if they contribute to solving sector specific societal and environmental problems. First examples of such sector specific CSR initiatives are at hand (e.g. Jorgensen et al. 2010 in the textiles sector, Crawford & Williams 2010 in the banking sector, Holton et al. 2008 in the construction sector, O'Riordan & Fairbass 2008 in the pharmaceutical sector). Draper (2006) developed a first typology of such initiatives. However, a more elaborated framework for design and assessment of business driven sectoral CSR initiatives could be an important field of research.

5.2 Future research on responsible competitiveness

Linking CSR and competitiveness is the core of the business case for CSR. As shown in chapter 4, a huge number of definitions, approaches, empirical studies and meta-analyses could be found – all of them trying to prove that CSR pays off. Our study did not try to add another puzzle stone, but looks for the big (sector specific) picture, which could help to understand results that are sometimes contradictory. In doing so, we highlighted the benefits of addressing sector specific success factors as well as sector specific societal concerns. For future research projects, we strongly recommend to speak the language of the respective sector (and asking „why“) instead of analysing huge datasets looking for the statistical proof of specific links (and asking „if“).

Besides all positive links and enforcing feedback loops, are there any contradictions of CSR and competitive advantage that should be considered as well? Carroll & Shabana (2010) mentioned the risk of market constraints: *„As the business case is premised on the notion that the market will reward CSR practices, situations where the market does not support CSR practices strike at the foundation of the business case“* (p. 101). Several authors expressed different arguments against CSR (e.g. Friedman 1962 with his famous statement that the only responsibility of business is to maximize the profits of shareholders; Davis 1973 declaring that businesses are not

equipped to handle social activities; Hayek 1969 arguing that CSR might dilute businesses' primary purpose; Quairel-Lanoizelee 2011 highlighting the pressure under which global companies have to survive which puts strong limits to CSR). In the course of our study we found another – more fundamental – contradiction between CSR and competitive advantage: All theories and approaches on competitive advantage aim at building up capacities, competences, markets or resources in order to build up a unique position and gain higher revenues than competitors. Therefore, it is necessary to develop strategic success factors such that competitors cannot imitate them. Strategic management of competitiveness is therefore heading towards a sort of quasi-monopolistic situation. In our impression, this approach contradicts the ideas of sustainable development and CSR: that innovation and best practices should be imitated and disseminated in order to improve living conditions, to protect the environment, and to support economic development all around the world. In summary: while competitiveness fits under the agenda of monopolization, sustainable development is an agenda of dissemination, change and transition. We draw two conclusions out of this diagnosis for future studies in the field of CSR: (1) we recommend to consider the concept of business excellence instead of competitiveness, as this approach shows greater coherence with the main ideas of CSR, (2) we suggest in-depth studies focussing on the dynamics of change and the role CSR could play under a transition perspective.

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8 List of interviewed organisations

Chemical sector		
No of interviews	Country	Organisation
1	EU	European Commission, Sector unit for the chemical industry
1	BE	Essencia (Trade Association)
2	UK	CBA (Chemical Business Association)
1	NL	VHCP (Verbond van Handelaren in Chemische Produkten)
1	BE	Belgische Kamer van Chemiehandel – Chambre Belge du Commerce Chimique
1	EU	CEFIC
2	D	VCI (Verband der Chemischen Industrie)
2	GR	HACI (Hellenic Association of Chemical Industries)
2	E	FEIQUE (Federación Empresarial de la Industria Química Espanola)
2	FIN	KEMIANLIITTO (Chemical Worker's Union in Finland)

Construction sector		
No of interviews	Country	Organisation
1	EU	European Commission
2	EU	FIEC
1	E	SEOPAN (Asociacion de Empresas Constructoras de Ambito Nacional)
1	D	ZDB (Zentralverband des Deutschen Baugewerbes)
1	DK	Dansk Byggeri
1	FIN	Confederation of Finnish Construction Industries Rakennusteollisuus
1	AT	Wirtschaftskammer Österreich – Fachverband
1	NO	Fellesforbundet
2	FIN	Rakennusliitto (Finnish Construction Union)
1	UK	University of Reading, School of Construction Management and Engineering
1	IE	The Construction Industry Federatrion (CIF)
1	BE	Confédération Construction – Confederatie Bouw
1	EU	European Federation of Building and Woodworkers (EFBWW)
Textile sector		
No of interviews	Country	Organisation
1	EU	ETUF:TCL (European Trade Union Federation: Textiles, Clothing and Leather)
2	D	GTMI (Gesamtverband der deutschen Textil- und Modeindustrie)
2	BE	FEDUSTRIA (Fédération Belge de l'Industrie Textile, du Bois et de l'Ameublement)

1	I	SME (Federazione Tessile Moda)
2	AT	Wirtschaftskammer Österreich – Fachverband Textilwirtschaft
2	BE	ACV Textura
2	F	UIT (Union des Industries Textiles)
1	EU	EURATEX (European Apparel and Textile Confederation)
1	EU	AUTEX (Association of Universities for Textile)
1	RO	The Research-Development National Institute for Textile and Leather

Zusammenfassung

Die Zusammenhänge von Corporate Social Responsibility (CSR) und Wettbewerbsfähigkeit stehen im Mittelpunkt dieses Beitrags. Er basiert auf einer umfassenden Literatur-Analyse und einer Serie qualitativer Interviews mit Experten aus Fachverbänden der chemischen Industrie, des Bausektors und der Textilherstellung in ganz Europa. Ausgehend von der aktuellen Wettbewerbssituation und den dringendsten gesellschaftlichen Ansprüchen an den jeweiligen Sektor konnten Handlungsfelder identifiziert werden, in denen CSR zu einer gesteigerten Wettbewerbsfähigkeit einzelner Unternehmen und der gesamten Branche führt. Auf dieser Basis wird die Bedeutung branchenspezifischer CSR Politiken, Initiativen und Forschungsarbeiten diskutiert.

