

THE WAY IT WORKS

Corporate Social Responsibility in the Carpathian Region

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in the Carpathian Region**

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Corporate Social Responsibility in the Carpathian Region

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Table of Contents

Foreword **5**

About the project *The Way It Works* **6**

Declaration of participants of the international conference **11**



Carpathian region **13**

Results of the corporate social responsibility research in the four countries of the Carpathian region **15**



Case studies **30**

Glossary of the CSR related terms **40**

Project partners **44**



Foreword



Dear readers,

The publication you are holding in your hands is one of the outputs of The Way It Works project. The project was implemented by the Carpathian Foundation Slovakia, with cooperation of partner organizations, and was realized in four countries of the Carpathian region in 2007.

In cooperation with other partner organizations associated in the international network, Carpathian Foundation works in long-term towards the development of the Carpathian region, with main focus on economic, social and environmental aspects. In order to reach this aim, the Foundation runs grant programs, which promote innovative projects; it offers technical assistance mainly to non-governmental organizations and local self-governments in communities; yet it implements the development projects directly, too. Carpathian Foundation, being the only non-profit organization active in the cross-border region, has for 12 years been playing a vital role in the process of facilitating cooperation among organizations representing various sectors in society.

The main goal of The Way It Works project was to invoke a change of thinking, which would contribute to change of acting in the field of corporate social responsibility (CSR) in the four countries of the Carpathian region—Slovakia, Hungary, Poland and Romania.

Corporate social responsibility is a topic, which is still considered new and unknown in the Carpathian region. Carpathian Foundation has thus adopted this topic as one of the main areas of its interest, as it considers this topic to be one of suitable and effective means and instruments for development and progress of the region. We think it inevitable that entrepreneurial subjects, self-governments, non-governmental organizations, universities and media understood their responsibility for the region and actively contributed to its progress, transformation, prosperity and, thus, to its better future. Carpathian Foundation wants to continue to act as a catalyst in this process and help to mobilize resources and their efficient utilization. Bilateral partnerships and cross-border bonds created during the project became the basis for future close cooperation and particular projects.

I trust that we will manage to develop the partnerships further and invite other actors able to perform important roles in this effort. We believe we all can be mutually helpful, we all can be a source of mutual inspiration and that together we can reach more than separately. We believe that The Way It Works project will show the way and the direction.

Our gratitude goes to everybody who has been active in the project. Thank you for all inspirational thoughts and ideas, which helped to realize the activities and offered us, as well as others, inspiration for future steps and plans.

Laura Dittel
Director of Carpathian Foundation Slovakia

About the project

The Way It Works

***Corporate Social Responsibility (CSR)** is a very broad term and there are many ways to define it. Said simply, it stresses that a firm should act responsibly towards any subjects and groups with which it comes into contact, i. e. its customers, employees, suppliers and subcontractors, local community or environment. This business concept influences processes within the company as well as the firm's involvement and its communication with an outside environment. It can result in a changed view on enterprise as such. What is important is the way of profit generating and its distribution. Corporate philanthropy or donating is only one of its subsets. (www.wikipedia.org)*

The **Corporate Social Responsibility (CSR)** concept is one of effective instruments for achieving economic growth and its contribution towards increasing of the quality of life happens through increasing businesses' involvement in solving of economic, social and environmental problems of a society on various levels. It was in this context that the Carpathian Foundation prepared the international project The Way It Works, launched on December 7, 2006 in Košice during the meeting organized in cooperation with the American Chamber of Commerce. The Carpathian Foundation introduced the project and its goals to all relevant stakeholders present at the meeting.

The project mission was to foster the change of thinking and contribute to the change of acting in the field of corporate social responsibility, building on existing instruments and practices, as well as to create a base for learning and promotion of innovation, transparency and convergence of corporate social responsibility activities and instruments in the Carpathian region.

The aim was to extend activities in the field of corporate social responsibility (CSR) in the Carpathian region through international Exchange of the best practices and experience with involvement of all relevant partners.

The project was implemented in those parts of Slovakia, Hungary, Poland and Romania that form the Carpathian region. These are Prešov and Košice counties in Slovakia; Podkarpacie region in Poland; Borsod-Abaúj-Zemplén, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg counties in Hungary; and Bihor, Botosani, Harghita a Maramures counties in Romania.

The **goals** of the project were:

- To raise awareness and improve information level about CSR and its influence on society among enterprises, local self-governments, educational institutions, civic associations and other stakeholders in the Carpathian region
- To improve expert knowledge and information exchange about CSR and its already existing instruments and practices
- To create CSR practices models that are worth following for stakeholders in the new EU member states

The project was built on CSR experience and knowledge already existing in the region, as well as on previous experience and activities of the Carpathian Foundation. The key findings, serving as basis for the project activities and goals, were mainly:

- missing information about the already existing CSR practices in the region

- insufficient promotion of CSR activities
- missing social partnerships in the region
- absence of the CSR topic in schools' and universities' curricula
- missing trust, transparency and dialogue among social partners within the field of CSR, resulting in a small number of good and motivating examples
- lack of efforts on a cross-border level of cooperation that would lead to effective CSR in the region

Following **activities** were implemented within the project framework:

- research about the state of corporate social responsibility in the Carpathian region
- processing of the case studies about corporate social responsibility and about partnerships between enterprises and civic sector
- multisector discussions in the 4 countries of the Carpathian region
- regional roundtables
- international conference in Prešov
- a publication about the project results in 5 languages
- project webpage focused at the topic of corporate social responsibility

Research

The beginning of the project was devoted to the **research** of the corporate social responsibility concept implementation in the Carpathian region. The aim of the research was to map the CSR context and practices, motivations, mechanisms, decision-making processes and the role of partners in the CSR implementation.

One of the important tasks of this survey was to map needs and expectations of small and medium enterprises related to the CSR principles and practices implementation in a firm's performance. Another one was to gather practical experience for processing of the case studies, which should serve as motivation or, partially, as guidelines for implementation of at least some CSR practices into firms' operations, as well as for creation of effective long-term partnerships between enterprises and non-profit organizations and communities.

The project research was preceded by formulation of common methodology and instruments for CSR

context and practices analysis in the four Carpathian region countries (Hungary, Poland, Romania and Slovakia). Qualitative and quantitative data about CSR practices in respective countries were collected during the research realization and, after the data analysis, these were interpreted in the form of regional reports and case studies from the individual countries. The research has served as information and knowledge base for further project activities, too.

Bilateral meetings with partners were part of the research. It was the way to involve the partners in the project's multisector discussions and to enlarge regional platforms in the four countries of the Carpathian region. Semi-structured interviews and focus groups were held according to the common research methodology and their aim was to gather comparable data from the region.

The research methodology was formulated in January 2007 and it was followed by the research itself, which lasted until June 2007. It was preceded by recruiting of external experts in the project countries, which for the first time showed that the topic of CSR has not yet been naturalized in the Carpathian region, as in two of the countries it was a problem to find relevant and experienced experts who would meet the tender requirements.





Conference participants presented a multitude of inspiring examples, rich experience and findings during their work in working groups.

The research included main actors in the CSR field: local/regional enterprises and multinational corporations, local/regional self-governments, social partners, universities, civic associations, media as well as chambers of commerce and professional chambers.

Teams of researchers in particular countries:

Asociatia pentru Relatii Comunitare (ARC) was the leader of the research, responsible for the formulation of methodology and also for the research in Romania (www.arcromania.ro).

Experts, responsible for implementation of the CSR practices research in the other three countries, as well as for preparation and presentation of final national reports, were:

- Eduard Marcek from organization Panet in Slovakia (www.panet.sk)
- Grzegorz Piskalski from the CSR.PL Centre in Poland (www.centrumCSR.pl)
- Gyula Fulop from Miskolc University in Hungary (<http://www.gtk.uni-miskolc.hu>)

Case Studies

The case studies in the project introduce best practices and different points of view of firms and non-profit organizations in the Carpathian region. 20 case studies were processed within the project framework (5 for each participating country), with one case study per country introduced in this publication.

The best practices concept represents one of the key principles respected by Carpathian Foundation. We promote creating of culture and environment suitable for exchanging of experience, gathering and documenting of best practices and findings, offering opportunities for learning and adaptation of creative and successful solutions for everyday problems and challenges.

- **The best practices are innovative**, as they create new and creative solutions for common problems and challenges.
- **The best practices contribute to change**, as they have a demonstrative, positive and visible impact on life conditions, quality of life and environment for individuals, groups or communities.
- **The best practices have a long-term effect**, as they contribute significantly to problem solving, especially in the case of suggesting solutions in partnerships formed by national and local authorities; non-governmental organizations and local communities; private sector and/or academia, with involvement of all stakeholders.
- **The best practices have the potential to be adopted and well used**, since they serve as a model for creating rules and initiatives.
- **The best practices are documented**, as they carefully describe case's solutions or history and thus create links between already tried solutions.

Multi-stakeholder discussion fora

Meetings, or **multi-stakeholder discussion fora**, created a space for a multisector dialogue of CSR stakeholders and for exchange of information, experience and best practices. One of the most significant discussions' outcomes was their contribution to enhancement of skills and expert capacities of the project partners in the CSR field. 13 multi-stakeholder discussion fora were held within the project's framework.

The aims of the meetings were:

- to create groups of active partners involved in the project and its multisector discussions
- to secure a balanced participation of local/regional small and medium enterprises and multinational firms, local/regional self-governments, social partners, universities, non-governmental organizations, media, chambers of commerce and professional chambers, for further project activities
- to secure comprehensibility of project goals and a clear common interpretation of expected outcomes by all active project partners
- to increase the expertise of CSR stakeholders, their practices and instruments they use.

Regional roundtables

Roundtables, held in the four Carpathian region countries (Slovakia, Hungary, Poland and Romania), were another part of the project. One meeting, which preceded the international conference, was held in each country either at the end of August or at the beginning of September 2007. One of the aims of roundtables was the presentation of research results and discussion about them in a wider group of stakeholders representing various sectors of society. Invited were mainly those representatives of different sectors, which were not directly involved in data gathering, so that the meetings provided an opportunity to gain other opinions and ideas complementing the already existing material.

Another aim of these meetings was to discuss and define possibilities of international cooperation and exchange of information about CSR in the Carpathian region. They also attempted to stimulate new CSR activities aimed at finding concrete solutions for causes preventing integration and implementation of CSR practices in enterprises operating in the Carpathian region. Another role of roundtables was to promote a dialogue between businesses, self-governments, non-governmental organizations, as well as representatives of social partners, business and professional associations, universities and media.

The methodology of these meetings was in each of the project countries prepared by experienced **facilitators**: Peter Gušťafík in Slovakia; István Kosztolányi in Hungary; Grzegorz Piskalski in Poland and Carmen

Sasu in Romania. These experts facilitated discussions during those meetings and prepared the reports with conclusions and recommendations of the meetings' participants, too.

International conference The Way It Works

International conference The Way It Works was held in Prešov in September 2007. Its goal was to act as the main instrument for mutual cross-border exchange of conclusions and recommendations resulting from the research, roundtables, multisector discussions and other meetings promoting the dialogue between various stakeholders.

The conference helped to form a cross-border platform for cooperation in the CSR field in all involved countries. The cross-border platform enables identification of topics of cross-border importance in the CSR area and their transformation into concrete cross-border partnerships and projects.

Mayor of Prešov, Pavel Hagyari, also came to greet the conference participants.



Participants of the conference formulated and accepted the Declaration, as well as Conclusions and Recommendations for further activities and continuation of the program initiated by The Way It Works project.

More than a hundred conference participants represented all active partner organizations involved in various project activities, including partners from the four target countries (Slovakia, Hungary, Poland, Romania); stakeholders from other European countries including representatives of:

- partner organizations
- non-governmental organizations and community self-governments
- think-tanks and non-governmental organizations
- local firms and multinational corporations
- representatives of government
- chambers of commerce and professional chambers
- universities
- media

Publicity and communication

The topic of CSR is a relatively new topic in the Carpathian region and, therefore, within the project framework, we have created extensive opportunities for spreading of information, publicity and communication between involved project partners, as well as communication towards wider public.

All project activities were promoted in media, the representatives of which represented one of the important target groups of the project. We have also utilized existing communication platform possibilities, including the Carpathian Foundation webpage (www.carpathianfoundation.org).

A specialized webpage, www.thewayitworks.org, which documents all important outputs and outcomes of the abovementioned activities (survey, regional multisector discussions, international conference), was created for the project.

The **webpage** is mainly intended for the international The Way It Works project' results dissemination, and it is available in five languages: English, Slovak, Hungarian, Polish and Romanian.

A long-term ambition is to use the webpage as a **virtual platform** for gathering, storing and accessing of available up-to-date information from the CSR field, for presenting well-replicable examples of the concept implementation in the Carpathian region, linked to other important internet tools in the Carpathian region countries.

Declaration of participants of the international conference

The international conference held in the final phase of the project offered the space for exchange of experience. A permanent platform for the cross-border cooperation and communication about corporate social responsibility issues in the Carpathian region, as well as looking for new CSR trends and ways, was created as a part of the conference. One of the conference final documents was the Declaration of Participants.

Declaration of Participants of the International Conference The Way It Works organized by the Carpathian Foundation on 26–27 September 2007 in Prešov

The Carpathian region consists of border areas of the four new EU member states (Hungary, Poland, Slovakia and Romania) and Ukraine. Their effort is to reach economic growth and increase the standard of living of their citizens by effective solving of a wide variety of urgent economic, social and environmental problems.

The concept of Corporate Social Responsibility (CSR) represents an effective instrument, which by means of increasing corporate involvement in solving economic, social and environmental problems on various levels of society contributes to a better economic growth and rising quality of life.

Representatives of enterprises, non-profit organizations, public institutions, media and academic institu-

More than 100 representatives of business sector, public administration, media, academia and non-profit organisations from seven European countries participated at the conference.



tions participating in the international conference The Way It Works:

State that the Carpathian region is a specific area with significantly different economic, cultural, social, demographic and ethnic characteristics in comparison to other areas of the abovementioned countries.

Emphasize that even despite the growing interest in corporate social responsibility concept in the countries of the Carpathian region, there still exists an urgent need for creation of conditions suitable for gradual takeover and adapting of existing CSR practices that proved successful in specific conditions of peripheral and less developed regions of these countries.

Declare that they are aware of unique and crucial importance of each sector of society, including enterprises, public administration, non-governmental organizations, academia and mass media, in implementing of the CSR concept as a tool for economic and social development of the region.

Appreciate importance of The Way It Works project in the process of building of cross-border cooperation in the CSR field in the Carpathian region; and welcome the creation of the cross-border platform that would offer an opportunity to search for CSR topics with cross-border importance and their development into cross-border partnerships.

Realize they own share of responsibility for the quality of life in the Carpathian region; and they will advocate the implementation of CSR principles within their respective organizations and communities.

Recommend that the Carpathian Foundation, when implementing further steps, takes into consideration **Recommendations** resulting from discussions during the international conference, as well as those formulated by representatives of various sectors from the Carpathian region and other European countries; and that, within its future activities, it will:

- act as a broker and catalyst for change
- promote CSR projects and initiatives by using social and community networks formed by community actors

- play an active role in identifying local needs and involving key actors
- take into consideration local specifics typical for the Carpathian region communities

Participants of The Way It Works international conference

Carpathian region

Carpathian Foundation operates in the middle of Europe, in the space consisting of border areas of the five states: Hungary, Poland, Romania, Slovakia and Ukraine. The area, also known as the Carpathian Euroregion, belongs to the least developed regions. Differences between the parts included in the Euroregion and other parts of the respective countries are often abysmal. This characterization states one of the important arguments leading towards the decision of the Carpathian Foundation to implement the corporate social responsibility (CSR) focused project in this region.



The region shares common history, which influences its present situation as well. The 20th century brought along changes that have influenced the region forever. The area faced two world wars, which meant great losses of lives, as well as loss of population due to emigration and forced migration. About 10 million people have been murdered or deported from the region since 1914. Countries' administrative borders changed several times and people belonging to one ethnicity or nationality were often divided and assigned to different states and regimes. This relatively small area has seen fifteen different administrative divisions in the last century. All this has left different marks on the present face of the region. Among the positive ones is its national and ethnic diversity, resulting in rich culture and traditions, variety of mores and customs visible in music and architecture.

Carpathian region area is also characterized by beautiful and often still untouched nature. However, negative results of industrialization processes happening in the previous regime, insensitive exploitation of natural resources and consequent air and water pollution, as well as a dysfunctional waste management often obscure the beauty of nature and request urgent solutions. High concentration of national parks and nature reserves with high potential that can be utilized in sensitive forms of tourism, which can represent one of the region's development possibilities, continues to be typical for the area.

Sixteen million inhabitants of the Carpathian region live mostly in small towns and villages. Infrastructure in rural areas is rather weak and their distance from capitals and centers often represents also the distance from development and possibilities available in other parts of the respective countries, and, thus, it does not facilitate development or inflow of investments into the area. The region suffers from economic problems, unemployed workforce and emigration of qualified human resources. The lack of human and institutional capacities necessary for preparation and implementation of projects is the cause of region's low absorption capacity and it results in an unsatisfactory utilization of European funds.

Minority groups with immense religious diversity (Orthodox, Roman Catholics, Greek Catholics, Calvinists,

Protestants and Jews) represent more than 30% of the Carpathian region inhabitants. Mixture of ethnic and religious groups, together with the history of internal and inter-ethnic relations complex could create an image of problems in the area of neighbor relationships and stability. However, a number of linking elements, similar problems and challenges, comparable level of economic development and shared aspirations to achieve economic prosperity and integration exist here as well. These characteristics naturally lead to cross-border cooperation, which is an effective instrument for reinforcing inter-ethnic tolerance, regional stability and consistence, which is so important for the development of both the communities and the region.

As a result of a number of changes influenced by European integration processes, globalization, development of economy and growth of information society, conditions in separate national parts of the Carpathian region changed both on the inter-regional and international scale. Experience confirms the need for cross-border cooperation and strengthening of relationships among particular national parts, since, in many cases, their problems overlap and the solutions are easier to find in equal partnerships. In this space, the cross-border cooperation, the development of which is naturally more visible mainly after the creation of the Carpathian Euroregion in 1993, contributed to strengthening of good relations among inhabitants and institutions in the border regions and created good conditions for cooperation within the European Union. Carpathian Euroregion consists of nineteen administrative units in five countries. It was the first euroregion to unite the regions situated in the peripheral areas of the former socialist block countries, in which the inhabitants share similar past and traditions.

Both the Carpathian Euroregion and CSR are based on the idea of cooperation. Their main goal is to increase the standard of living and help a community, which is also the mission of Carpathian Foundation. Having the common aim, we found the way to reach this aim—The Way It Works.

Results of the corporate social responsibility research in the four countries of the Carpathian region

The beginning of The Way It Works project was devoted to the research, which was in each country (Hungary, Poland, Slovakia and Romania) carried out by the Carpathian Foundation and led by experts. The experts were also responsible for preparation of National Reports, as well as of the Final Regional Report. Resulting from national research is the following Study of the State of Corporate Social Responsibility, which is the first document to comprehensively map the CSR situation and the topic in the Carpathian region.

GENERAL CONTEXT OF THE STUDY

The research team and the Carpathian Foundation consider this study a working tool. It takes a closer look at the ways in which the international and national trends in Corporate Social Responsibility (CSR) are put into practice at the local and regional levels in the Carpathian region. The four countries encompassed by the region include: Hungary, Poland, Romania and Slovakia. A more comprehensive description of the region in terms of the demographic and economic contexts is included in another section of this study.

The Carpathian Foundation launched the program The Way it Works with the intention of identifying development issues with regard to CSR and community involvement in the region. This research represents the first step that helps the Foundation better understand those areas of CSR that need to be, or should be, addressed. The research team decided to look in greater detail at the existing CSR and community involvement practices in the region. In this respect, we take into consideration that the methodology used provided data that underline the local specifics regarding the business sector's (and other key actors') perspectives on the subject.

What our research team considers to be the specific approach of this document is its focus on those geographic areas included in the Carpathian region that have significantly different economic, cultural, social, demographic and in some locations, ethnic characteristics, as compared to the remaining areas of their respective countries. Data collected during the research (depending on the region and country) confirmed differences in CSR practices, as well.

The study does not neglect the broader trends in CSR initiatives. We observed the way those trends intersected with the existing practices in the communities covered by the study, including how the concepts, values, and practices overlapped, and influenced and contributed to local CSR strategies. The results show that broad national or international programs intended to promote CSR practices are applicable in this region only when they can be adapted and integrated within the local cultures and practices.

Since the geographical areas included in the region have not been previously included in a detailed study on CSR practices, the research team deems this material as offering a new and fresh perspective on the way local businesses see the field, how CSR can emerge

within communities without external influences, what motivates local actors to get socially involved and the difficulties they face in implementing CSR or community investment projects.

The Carpathian Foundation sees the region as a clearly defined geographic area¹, though it includes many different types of communities in terms of historical, geographical, administrative, cultural, social, and demographic characteristics. The differences mentioned above can be easily detected in the Romanian part of the Carpathian region, for example, due to the fact that the geographical area incorporates a considerably large number of communities influenced, over time, by many factors.

On the other hand, the aforementioned characteristics are more uniform in **Poland** and **Slovakia** since the region covers relatively smaller parts of those respective countries, and the communities located therein have greater similarities in terms of their historic, economic, and social evolution over time.

The Hungarian part of the Carpathian Euroregion covers five counties in two different Hungarian regions. They have very similar characteristics. They only have different geographical and demographic profiles.

Since the study is a working tool for the Carpathian Foundation, the research team set as one of this study's objectives the identification of a set of pragmatic aspects pertaining to CSR, which can be further addressed. The conclusions and recommendations are intended as instruments for the Carpathian Foundation and other actors interested in encouraging CSR practices as a means to bring long-term economic and social development in the subject geographic area. It is not intended to be an exhaustive review of CSR practices in the area. Thus, we recommend that readers use the material carefully, and for those interested in a more complete view of CSR practices, the study should be seen as complementary to other research materials or studies conducted in the region.

RESEARCH OVERVIEW

This study represents the first stage for the Carpathian Foundation in understanding the local practices of CSR, focusing mainly on the community involvement component. By using existing local initiatives and identifying key actors who can contribute to the development of this domain, the organization intends to contribute to the long-term development of CSR in the Carpathian region. The study is based on data collected at the regional level through face-to-face interviews and focus groups. These methods offered the first hand opinions of important community actors on the subject. Secondary data on international and national initiatives were gathered through desk research methods.

This report includes a regional section, describing general overviews on the four countries included in the study, and a general section containing conclusions based on similarities and differences found in the region. It also offers a set of recommendations that may be addressed in our view in the near future, as the first steps in encouraging long-term CSR initiatives in the region.

The regional description is followed by country reports which include a general overview of each country and region, a description of the way experts in each country used the research methodology, five case studies of CSR practices, analysis of the data gathered in the study, conclusions relevant to the Carpathian region in the country, and recommendations.

¹Carpathian Foundation defines the region as "a rural mountainous area centering on the Carpathian Mountain range and the Tisa River basin. The region can be characterised by economic under-development resulting from its peripheral location and complex history of inter-state and inter-ethnic relation" (source: www.carpathianfoundation.org description of Carpathian Euroregion)

GLOSSARY

If there is one generally accepted agreement on the concept of CSR, it is that the term itself has a variety of meanings to stakeholders and social commentators alike, depending on the individual's vision, interests, or experience. Our research team used a number of concepts related to CSR; therefore, we have included below the definitions we considered as best suited to our understanding of this domain.

Corporate social responsibility (CSR) is a concept “whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis... This responsibility is expressed towards employees and more generally towards all the stakeholders affected by business and which in turn can influence its success”. (Promoting A European Framework For Corporate Social Responsibility Green Paper–Industrial Relations and Industrial Change, European Commission Directorate-General for Employment and Social Affairs, July 2001, p. 5).

The same Green Paper defines two dimensions of corporate social responsibility—the internal practices of the companies related to its employees and environment, and its external practices, involving various stakeholders, business partners, suppliers, customers, and NGOs, representing local communities and their environments.

The concept includes the company's initiatives within communities, employee welfare, responsible impact on the environment, a transparent and responsible presence in the supply chain, corporate transparency, and accountability towards all stakeholders. The concept covers all aspects of the business—its production chain, product quality, its relationship with employees, shareholders, business partners, suppliers, the environment, and any other group interested in the company's activity.

The Green Paper further introduces the concept of **corporate citizenship** as management of the totality of relationships between a company and its host communities, locally, nationally and globally. (p. 27)

The concept of corporate citizenship actually addresses the same areas as the term corporate social responsibility, but underlines the fact that besides the responsibilities to its stakeholders, the company, as a community member, benefits, as well.

Corporate community/social involvement (CCI) links the internal and external dimensions of corporate social responsibility for achieving results that benefit communities, societies, the environment, and contribute to the well being and development of the company's employees.

The concept of CCI (often used interchangeably with CSR) focuses on the relationship between the company and different community stakeholders, as well as on a proactive use of company assets in order to bring broader benefits to the community or stakeholders that are important to the company (as opposed to the whole range of CSR practices that focus on minimizing risks, ethical and transparent practices, etc.)

CCI can have different levels of complexity and integration. It can range from basic philanthropy (ad hoc donations, minimal concern regarding results and impact, etc.), to its most developed forms which normally encompass strategies for supporting specific target groups, specific types of programs, diverse methods and instruments (e. g. corporate volunteer programs, payroll giving, matching fund donations, partnerships with community partners, etc.), and attention to the outputs and impact within the company and the community.

A framework for reporting on corporate community involvement developed by the London Business Group² is helpful to illustrate different motivations for CCI:

² Companies in Communities: Valuing the contribution and assessing impact, London Benchmarking Group, 1999, 2000 the corporate Citizenship Company. Published by Charities Aid Foundation

Charitable gifts include all resources that are offered by a company, and whereby the company does not expect a benefit for its donation. Usually, the gifts are given in response to an ad hoc request, and are normally in-kind or financial contributions.

Community investment includes all strategic initiatives that are specifically designed for a win-win situation. Both the community and the company receive direct benefits from the project.

Commercial initiatives in the community include all initiatives that focus on a clear benefit to the company. The company generates customer interest in its services, products or brands, by joining a community cause.

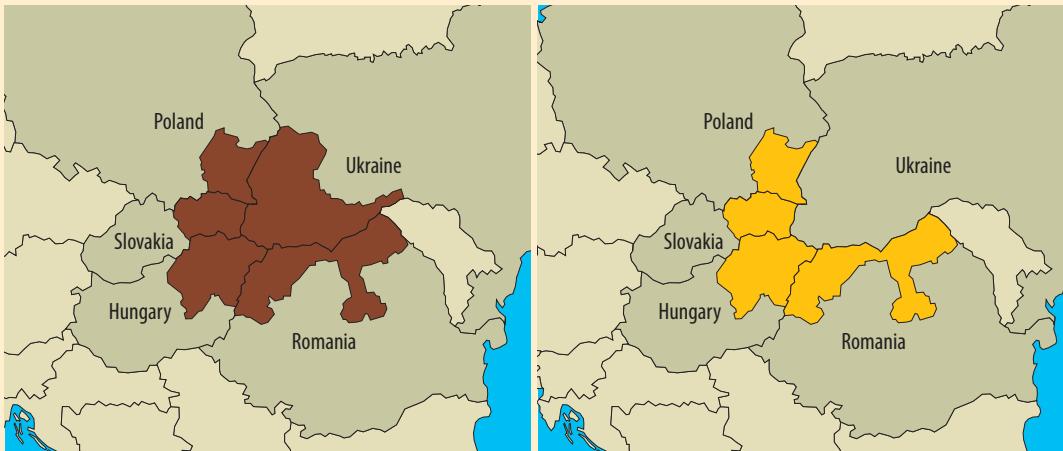
CCI is also the area where external stakeholders, including NGOs or other community stakeholders, may see roles for themselves or have interest in developing a relationship with the company (with the exception of consumer, advocacy and business associations that might have interests beyond CCI). The primary contributions of NGOs and other groups to CCI are their access to specific target groups, expertise in addressing social and community needs, their organizational channels for disseminating information, etc.

We define community in broad terms—either geographically (people sharing a space) or as a community of interest. Thus, company CCI initiatives may address citizens living in a particular city/village/neighborhood, or they may address the needs of a specific target groups (usually, but not necessarily, in addition to a geographic criteria). For example, special needs children in three villages around its plant, school children interested in developing vocational skills, or employees with lower living standards in rural areas.

■ Countries of the Carpathian Euroregion

■ Regions included in the Carpathian Euroregion

■ Regions included in the CSR research



RESEARCH HYPOTHESES

The concept of CSR has a broad variety of meanings. Generally speaking, it is connected with the expectation of an interaction between the company and different groups in the community, as well as the contribution the company makes in its overall environment (conceptualized above as CSI). Thus, most of the initiatives labeled as CSR can be placed under the CSI framework.

Exceptions to the foregoing statement are often present in multinational companies (and their branches or subsidiaries) that may have interest in other dimensions of CSR. The area covered by the definition may also be influenced by the existence of support organizations that take on the role of promoting the concept, developing the practice and connecting the practitioners regarding inspiration and learning.

There may be a difference between discourse and practice in the CSR field. Companies, NGOs and other stakeholders might discuss the importance of CSR without having direct practice in this domain, while some non-profit organizations or companies have experience that could be designated as CSR, but is not labeled as such.

While the media covers some CSR activities, most of the information regarding CSR practices is communicated directly by the companies or their non-profit partners. Many companies choose to remain silent, however, regarding their CSR projects.

In certain cases, there are intermediaries who play roles in promoting CSR and developing CSR partnerships. While their participation fosters a number of practices and how the concept of CSR is understood in their respective communities or regions, their existence is not a necessary condition for the advancement of the practice. Alternative ways of initiating corporate social responsibility practices include the influence of other companies, investors, partners, clients, and key corporate leaders, as well as NGOs and people in government and academia who mobilize support for CSR.

STUDY-STATISTICS

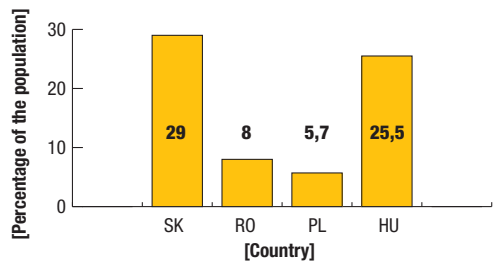
The area of the present research included four of the five countries of the Carpathian Euroregion: Hungary, Poland, Romania and Slovakia.

In this area almost 10 million inhabitants (9,622,000) live on a surface of 104,592 km². In Hungary 25.5% of the population is included in the Carpathian Euroregion, in Poland 5.7%, in Romania 8% and in Slovakia 29%.

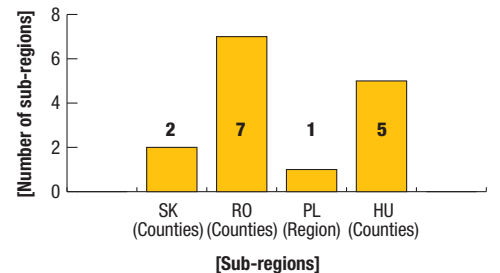
The largest territories of the regions are in Romania with 42,281 km², and the smallest is in Slovakia with 15,746 km².

In the four countries are included 13 different administrative territories (counties or districts). Most of them are in Romania (7 counties: Bihor, Botosani,

Percentage of the population of the country included in the research area



Number of sub-regions of the research area



Harghita, Maramures, Satu Mare, Salaj, Suceava) and least in Poland (1 region named Podkarpatckie Region). In Hungary are 5 counties (Borsod-Abaúj-Zemplén, Heves, Hajdú-Bihar, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg) and in Slovakia other 2 (Prešov and Košice).

The most urbanized country of the four is Hungary, where just 66% of the population lives in urban areas. Less urbanized is Poland, with just 41% of the population of the region living in urban areas. In Romania 52.7% and in Slovakia 59% of the population is living in urban areas. The research was made exclusively in urban areas, because CSR is working mainly in urban agglomerations.

Countries included in the research	Percentage of population living in	
	Urban area	Rural area
Hungary	66	33
Poland	41	59
Romania	53	47
Slovakia	59	41
Average	55	45

The average level of unemployment rate in the region is 17.9%. But we have to be careful in interpreting this data due to the accuracy of data collection of this item. The highest unemployment rate of the countries at the regional level is in Hungary, with 30.8%. The lowest rate is registered in Romania (5.2%). Yet the real unemployment rate is much higher. In the Polish region 16.5% of the active population is unemployed and in the two Slovak regions it is 19.2%.

Countries included in the research	Unemployment rate in the region
Hungary	30.8%
Poland	16.5%
Romania	5.2%
Slovakia	19.2%
Average of the countries	17.9%

EXECUTIVE SUMMARY OF COUNTRY REPORTS

Hungary–Carpathian Region Overview

In Hungary the Carpathian Euroregion includes five counties: Borsod-Abaúj- Zemplén, Heves, Hajdú-Bihar, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg. The counties included in the Carpathian region historically had a lower economic rate compared to the national average. During post-communist period this difference became even more acute.

At the national level, the CSR concept dissemination processes follow a positive trend since the **United Nations Development Programme** and **Business Leaders Forum** promote CSR related initiatives, and the subject is addressed in national conferences and magazines. Also academia introduced graduate and post-graduate courses and researches on the topic in university curricula. Besides these, a very important driving force is the sharpening competition in Hungary.

At the national level the concept of CSR is associated with a variety of meanings, respondents mentioning a moral sense of responsibility towards less privileged social groups, positioning the company as a responsible actor of the community and development of community as a whole for further economic development of the business.

Causes addressed by companies in their CSR initiatives vary, including programs for employee welfare and professional development, customer satisfaction and loyalty, environment protection and use of eco-friendly technologies and community initiatives on cultural, social, educational and equality of chances for disadvantaged groups.

Though, **challenges** are also met in promoting CSR practices in the country and the region. The main causes named as challenges in developing CSR are: the **criticism** leveled at the efforts that enterprises exerted on account of social responsibility, based on the suspicion of companies' interest in the subject to re-brand PR campaigns; **lack of know-how regarding technical aspects** (e. g. CSR mechanism, case studies

etc.) in implementing CSR programs; **inadequate involvement of the government, poor relation with mass media.**

Further evolution of CSR in the region is seen as positive and is strongly associated to following factors: **intensification of CSR activities, involvement of stakeholders in CSR activities, economic growth foreseen in the region, and strengthening of the civil sphere.**

Poland–Carpathian Region Overview

Polish part of the Carpathian region consists of one region named Podkarpacie. Similarly to other studied countries, Poland has a historical heritage, connected to communism, which influences corporate and other social actors' view on CSR mainly by reluctance to the concept and practice. Though, the concept is known in the country due to initiatives such as: **Responsible Business Forum, Global Compact in Poland, Institute for Private Enterprise and Democracy** of the **Polish Chamber of Commerce** and other associations' programs. At the same time, universities start to take an active role in promoting CSR concept and magazines offer constant information on the topic. Governmental institutions have limited initiative in boosting corporate and communities' interest in CSR.

Nevertheless, recently some efforts have been taken up. The **Polish Ministry of Labor and Social Policy** plays a leading role in the process. At the same time, during the 2006 CSR Conference in Poland a workshop named "The Role of Governmental Bodies in Promoting CSR" was held with the intention to explore ways of involvement in CSR topic of governmental structures.

Regions' characteristics, as seen by the inhabitants, consist of a high sense of respect towards their cultural heritage and social mores. The differences mostly mentioned as opposed to other regions consist of strong social bonds of inhabitants, strong Catholic heritage, respect for traditional customs, sense of inferiority related to other parts of the country due to a slower business development and a long history of migration back and forth of local inhabitants.

The business representatives interviewed in Podkarpatie refer to CSR practice in various ways, associating the concept with business responsibility to the community, desire to help, PR and communication channel, opportunity to create good community relations.

Issues that are mainly targeted in community initiatives and CSR programs are children welfare, education, culture, healthcare and sport. Motivations associated to these programs are various. **Awareness of responsibility towards the region** strongly appears to be the primary motivation, but motivations are associated with **strategic investment** as well. **Building trust, changing of negative image of entrepreneurs and creating social networks** are other important benefits that local business representatives or community actors see as motives for initiating CSR programs.

Looking at the challenges companies and other actors meet when initiating CSR programs, the most frequently mentioned obstacles are: **unclear legal procedures and tax application, lack of knowledge and awareness among entrepreneurs, lack of interest and involvement of public administration.**

Trends regarding CSR evolution in Podkarpatie are seen in an optimistic light. The subjects approached in the research associate the positive trends with **sound economic growth** in the country and the region, **changing labor market** (generating workforce professional development CSR programs), **a better understanding of the concept.**

Romania–Carpathian Region Overview

Romania has 41 counties and seven of them are included in the Carpathian region, which represents the largest geographical area covered within the study. Considering national trends regarding CSR practice, the Romanian part of the Carpathian region has important characteristics. At the same time, differences can be found within the region as well, due to cultural, economic, demographic and historic factors.

At a national level, CSR practice follows a clear positive trend. Companies and NGOs are the main actors

that activate in this field, with little involvement of government and mass media sectors. Important initiatives which can define the national domain are: the National CSR Conference, Romanian Social Marketplace, People for People Gala, United Way Gala, roundtables related to CSR issues, websites addressing CSR and CCI. Romanian accession to EU and Romanian Fiscal Code influence, both with incentives and challenges, the corporate attitude towards the CSR domain.

Considering the Carpathian Region, a number of **factors generate local specifics when it comes to CSR practice.** Main factors identified as directly associated to these various approaches to CSR are: the roles perceived by local actors in changing their community and improving their life and community welfare, existence of significant CSR practices in the community and access to information related to CSR domain, existence and the type of local leadership and the presence of mature and competitive market within the community.

Areas most frequently covered in CSR initiatives are: children welfare, education, art, religion, environment and sport. Though, CSR initiatives do not stop only at community investment, but address supply chain responsibility, customer services and satisfaction, employee welfare as well. Depending on the communities, some of the causes, such as: children welfare and education, at-risk social group services and religion are much more frequent reporting to other community initiatives.

Motivations for CSR initiatives are similar, in most cases, to those mentioned by respondents in other countries involved in the study. They are also quite diverse, including: **satisfaction** of a good gesture, need for **highly professional workforce, building a good name** in the community and **creating a network** between the company and key actors in the community.

When referring to **challenges** met in implementing CSR initiatives, companies and other key actors in Romania mentioned poor implementation of Fiscal Code, lack of clear understanding of the Fiscal Code

by companies, poor interaction of companies and public authorities, lack of suitable partners, lack of community involvement and interest, resistance towards involvement initiatives of potential decision-makers, mass media reactions to the social initiatives and lack of positive feedback from the community.

CSR trends in Romania, as opposed to other countries in the study, are seen in two potential directions. One vision of the future evolution of CSR practice in Romania is seen, similarly to the other countries, as following a positive trend. Main factors contributing to this evolution are: a positive trend of local economy, better understanding of the Fiscal Code and a better use of the fiscal incentives, raising the number of good practices of CSR.

The **second vision of the CSR evolution is rather pessimistic**, emphasizing the slow change of mentalities of elder decision makers, frequently found in local businesses and the impact the EU accession will have on local companies that will have to meet competitive standards existing in the EU market, which will decline companies' interest in CSR related activities.

Slovakia–Carpathian Region Overview

Slovak Carpathian region includes two out of the eight counties in the country. The Košice and Prešov regions, which are considered to be the most hindered in the national comparison, are disadvantaged in the lack of infrastructure, smaller investments and fewer job opportunities. The region is characterized by typical cultural and social mores factors as well, which can be described as **closer relationships** among people and within communities, strong social norms and regional patriotism, feeling of being neglected by the centre.

Corporate activities addressing community needs such as environment and social projects, corporate volunteering etc. have a long history in the country, though the concept itself has not been named and used as such. Starting in mid 1990s, national and international initiatives by the former **Civil Society Foundation** (now **Pontis Foundation**), **Business Leaders Forum (BLF)**, **Integra Foundation**, **Donors**

Forum and **PANET** programs and events brought the CSR concept closer to Slovak companies and other stakeholders.

The Slovak government and academia do not play an active role in promoting CSR, even though some representative initiatives undertaken by a central institution mentioned in the Slovak country report are the **Family-friendly Employer Award** organized by the Ministry of Labor, Family and Social Affairs and the initiatives promoting **ISO certification** and **eco-labeling** of companies by the Ministry of Environment.

A characteristic specific to Slovakia and which has an important influence on CSR initiatives is the **2% tax allocation mechanism of companies**. Though the mechanism is not really a form of donating corporate resources to social causes, the 2% allocation encourages community actors (companies, local authorities and NGOs) to start common projects.

The CSR practice in Slovak Carpathian region is influenced by the existence of a number of large companies such as **U. S. Steel Košice, Ltd.** or **Východoslovenská energetika, Plc.** who are BLF members and important promoters of CSR practices.

Companies in the region choose to implement their community projects by partnering with nonprofit actors such as **NGOs, municipalities, government, public institutions, local leaders** due to their capacity to offer quality services and their capacity to reach a large number of beneficiaries.

Similarly to the other countries included in the study, one of the main target group addressed by corporate community projects consists of at-risk children, living in state institutions, foster care shelters etc. Other particular issues in communities are **education, environmental protection, safety, social affairs, sports** and they address wider target groups in the communities.

Corporate motivations for community programs vary from **inner need and pressure to share with the others**, to the need for reflecting **company's culture**,

philosophy or long-term vision, enhanced visibility, better image and brand building.

The challenges perceived by companies and their partners in addressing the CSR domain derive out of the high costs associated to this particular practice. For NGOs CSR means potential gains, but also risks – of diverting from its mission values, being exploited by a stronger partner (e. g. as low-cost PR agencies promoting corporate brands) or unable to meet high demands from partners.

Subjects interviewed assume that the CSR trend will be growing, since the **concept becomes more familiar** to companies and other community actors, the **number of CSR initiatives will grow** and **NGOs will become expert partners** for businesses. Factors such as general **economic growth in the region**, need for **competitive advantages, earning a good public perception** are also seen as fundamental in further CSR evolution in the region.

The Slovak part of the Corporate Social Responsibility research was carried out by Eduard Marcek, Director of PANET organization.



CONCLUSIONS

Various ideas and practices of corporate social responsibility (e. g. philanthropy, corporate citizenship, reinvestment in the community, enhancing employee loyalty and respect etc.) **are associated with the concept of CSR in the Carpathian region.**

This makes it difficult to identify a single, generally accepted understanding of the domain. One commonly agreed upon characteristic is the view that CSR practice goes beyond the legal obligations of the company. Differences seem to arise mainly in the way each practitioner decides to implement community programs (e. g. offering sponsorships, creating professional development programs, setting up corporate volunteer programs, participating as decision makers in community development, etc.).

Within the Carpathian region, **clear, specific approaches pertaining to CSR practices** relate to the national trends existing in each country. Differences in approaches and practices can be identified within the areas included in the Carpathian region of each country, as well. These differences are a result of economic and social factors, historic evolution, the influence of national CSR trends, receptiveness to external practices, etc.

The country reports of **Slovakia, Romania, Poland and Hungary** show that local business leaders (normally business owners or CEOs) **who perceive themselves as morally responsible towards the community play crucial roles in initiating CSR projects.** Thus, CSR programs developed by these companies are characterized as being based on strong moral values, rarely with the anticipation of receiving mutual benefits. For example, the owner or manager of a company may choose to support and develop projects or services for the elderly because he or she sees it as a moral imperative to offer assistance to this social group. **Giving benefits back to the community** in which the business is located represents another important motive for local business owners to start CSR projects. Depending on community and company characteristics (size, community social networks, social mores, corporate culture, etc.), these two motivations can be identified as the main triggers for CSR projects.

The development of CSR practices is influenced by factors from outside of the community (national or international models), as well as **by local factors, which can encourage or inhibit the process.** Elements affecting the development of CSR practices in Romania mentioned in its country report include: peoples' perception of their capacity to change the community, companies' need for qualified and motivated employees, the perception of local leaders in the community by businesses, etc.

Local pride or sense of **community spirit** is almost omnipresent (clear exceptions to this are some of the Romanian communities, usually larger cities or communities having a history of maximum few decades) as a characteristic of Carpathian region communities and it can have a strong influence on the way CSR is implemented in the community. In all countries included in the study there were examples of communities that demonstrated a strong desire to preserve local social mores, which, over time, creates highly specific models of CSR. Communities that do not exhibit a strong sense of civic identity more easily accept and integrate CSR models existing at the national level.

Companies have both external and internal **motivations for initiating CSR projects.** The primary motivations include:

- **External motivations:** positioning the company or product brand in a specific niche, public visibility and PR benefits, key stakeholders consider it important for the company to be socially responsible, creating opportunities in order to develop a social network with key community actors, risk management, creating an environment to attract potential employees, creating loyal and educated clients.
- **Internal motivations:** developing the existing workforce, enhancing employee loyalty to the company, expressing corporate values and defining internal corporate culture, promoting values important to the company and its employees.

In every country included in the study **structures were evident that promoted CSR practices on both the national and regional levels.** In **Slovakia, for example,** an important role for stimulating CSR is

the 2% corporate income tax allocation, which allows companies to direct a part of their income taxes to social causes. The **Hungary Business Leaders Forum,** the **Poland Business Leaders Forum,** **Slovak Business Leaders Forum** and the **United Nations Development Program** organizations also play important roles in creating and promoting CSR. Academic institutions in Hungary and Poland are also active in not only promoting community involvement, but all aspects of CSR, as well. In **Romania,** national trends tend to heavily influence local CSR practices. In addition, community service clubs that include community business leaders (e. g. Rotary or Lions) play active roles in initiating community projects and maintaining the interest of local companies for social involvement.

Target groups for CSR/community initiatives are normally found outside of a company. The most frequently mentioned groups included in companies' community projects are children, the elderly, and special needs groups.

In some cases, companies formulate initiatives addressed towards employees as part of their CSR strategies. Examples of programs in this category include professional development programs for current and potential employees, keeping marginally profitable operations open in communities that are economically dependent upon the company's presence, increasing loyalty among employees by involving them in community initiatives, and offering warranties (guarantees) to banks on behalf of employees applying for loans.

The **Slovakia** country report shows that companies there are highly interested in diversity, and in some cases also try to ensure that minorities and special needs groups are given equal consideration regarding community investment projects and programs.

The most frequently mentioned issues in community initiatives and CSR projects of companies in the Carpathian region are education, culture, and health. In addressing these needs, companies tend to either (a) offer varied support for a limited number of causes; or (b) use their resources for a wide variety of causes without a clear focus on one particular cause.

Support for education is a common CSR goal of companies in the regions of all four countries included in the study. This specific cause is clearly understood by business representatives, and people are easily motivated to get involved. Other key reasons for the success of education-related projects in receiving corporate support are:

- Companies are able to find suitable partners to implement educational projects (e. g. schools, kindergartens, NGOs, educational clubs, camps, etc.) in every community.
- School-community networks are usually very well-developed.
- Schools are institutions that reach a large number of beneficiaries.
- Local business leaders see teachers and school administrators as suitable and legitimate partners.
- Educational projects are seen as an investment in the community's future.

Companies prefer to offer long-term support to groups and programs and monitor the impact produced in the community. This perspective on community initiatives leads companies towards causes that lead to sustainable changes within specific groups, or the community as a whole. Companies tend not to be interested in projects that do not produce measurable long-term change in the community, and thus they may limit their support of charitable activities (e. g. in-kind donations to special needs care centers).

Romania country report underlines the fact that, in the regions studied, companies preferred getting involved in shorter-term projects (event based or 30–60 days), where as the **Poland** and **Slovakia** country reports point out a different approach by identifying CSR projects with longer time frames.

The reports from **Romania**, **Slovakia** and **Poland** show that a common characteristic of CSR in the Carpathian region is the difficulty in differentiating whether the decisions are based on the beliefs and values of one individual (usually a manager or owner) or form a part of an overall corporate strategy.

Companies use a wide assortment of program partners for community projects. They range from

informal community groups to highly structured organizations, including universities, NGOs, schools, etc. In communities where the civil sector (NGOs) is less developed main CSR partners are schools, universities, hospitals, etc.

Partnerships between companies and the NGO sector tend to take various forms in the different countries of the Carpathian region. The nature of the relationships is dependent upon prior experience in creating common projects and the mutual need for resources and expertise.

Data collected in **Poland** reveals weaker links between the two sectors. The NGO sector's ready access to external funding sources have led, over time, to a lack of collaboration with businesses, and little desire to invest in the development of a communication network. Both sectors currently have processes developing in parallel.

Data from **Slovakia** and **Romania**, on the other hand, offers a different image by indicating interest in company-nonprofit partnerships. In Slovakia, the 2% corporate income tax allocation proved to be an important factor in accelerating interaction between the two sectors. In Romania, financial incentives included in the Fiscal Code for companies have had a similar effect. In Hungary there is no institutionalized option for the corporations to provide additional resources for the CSR activities.

Community actors' expectations towards companies regarding social involvement are different in the various geographic areas included in the Carpathian region. In **Poland**, for example, there are limited expectations for companies to get socially involved. The situation is different though in **Slovakia** and **Romania**, where companies feel more pressure to develop community involvement programs. Factors influencing the communities' expectations of companies regarding community involvement include the size of the community and the size of the company, the company's business network in the community, the involvement of the business owners or managers in the social network of the community, and the need for local resources by NGOs' and other nonprofit institutions' need for local resources.

On the national level, **each country has different forms of incentives dedicated to encouraging the practice of CSR**. On the local level, these incentives commonly go unused due to the lack of trust or confusion. Some of the contributing factors are:

- (a) Incompatibility between the local practices and the national methodological tools to access these incentives;
- (b) Poor relations between the business sector and the governmental agencies responsible for facilitating and clarifying the mechanisms (e. g. in Romania, companies perceive the Fiscal Agencies as being reluctant to help them and suspicious about their intentions in using the fiscal incentives included in the Fiscal Code);
- (c) Lack of awareness and knowledge among entrepreneurs on how to design and implement CSR programs;
- (d) Insufficient number of community brokers (e. g. local authorities, NGOs) that have the capacity to identify and integrate initiatives, resources and networks in response to local needs.

The learning processes for companies in the researched regions regarding CSR are primarily based on intuition and experimentation, rather than on the adoption of international and national models. As a result, in the studied communities different trends coexist. Local companies develop projects based on local practices or their own intuition, whereas multinational companies usually implement projects based on international practices. Often these trends appear contradictory since they are based on different values and utilize different instruments. In the long run, however, they both can contribute to a community in developing a solid, well-adapted CSR practice.

In the studied region there **were few indicators that companies effectively report and communicate the results of their CSR** programs to the public. Most companies appear to prefer lower profile approaches. The reasons mentioned most often by companies for not communicating their intentions regarding social involvement or in not reporting the results of their initiatives include:

- Their fear of public opinion in general, and the

anticipated negative reactions of fiscal authorities, nonprofit organizations, and the media regarding the company's motives. This attitude is especially characteristic of the companies in communities where the practice of CSR is uncommon, and new initiatives are not encouraged.

- Many corporate representatives (usually business owners and CEOs) base their actions on traditional values regarding charity, which discourage seeking public recognition for philanthropic acts.

On the other hand, at national level, companies in **Slovakia, Hungary and Poland** show more and more interest in reporting their CSR practices. One of the most frequent instruments in communicating this practice is CSR report and it is the practice of large companies, having international practice and reporting mechanisms.

The relationship between companies and mass media in the region is weak regarding the communication and promotion of CSR initiatives. It is influenced by a number of factors including:

- Media representatives believe that promoting CSR projects equates to free publicity, which may not be ethical.
- Representatives of the media fear that they could be suspected of being biased and unobjective in presenting community facts as a result of reporting on companies' CSR projects, possibly implying a relationship with companies.
- Companies believe that the media do not make an effort to understand the benefits of a community project beyond the humanitarian or any "spectacular" aspects of the project. Thus, the companies receive little visibility when they demonstrate corporate social responsibility since it is rarely "hot news". Local mass media are though more open to the subject, which makes it easier for companies to communicate their practice at the local than the national level.

Regional trends

Generally speaking, the Carpathian region, including the countries it spans, is going through a period of **economic growth**. The trend points towards a promising economic future with different ways

and dynamics. Based on this positive economic background, the interviewees predicted growth of available resources for community initiatives and CSR programs. This positive perspective was not echoed, however, in at least two of the Romanian counties³. Interviewees there mentioned a potential decrease in CSR initiatives as a result of the companies desiring to focus resources on becoming more viable and competitive in the new, wider, and more challenging European market.

Competition is seen as a strong factor influencing the evolution of CSR in the region. Slovakia's country report considers economic development and increased company profits as factors that raise community stakeholders' expectations of increased corporate social involvement. In Romania, the interviewees who foresaw a positive evolution of CSR practice in the region mentioned the increasing trend of companies using CSR to generate brand awareness for their products or services, as a means of differentiating them from their competitors, as a main factor. The need for creating a clear niche for products and brands associated with social or community values will also increase paralleling the international trends⁴ in terms of consumers' expectations.

The pessimistic vision on the evolution of CSR in the Carpathian region considers **competition as an additional pressure on companies**, who will instead opt to invest an increasing amount of their resources in the company's own development in order to achieve higher profitability and secure their position in the market.

RECOMMENDATIONS

Pay attention to local specifics. Companies wanting to develop CSR projects in the Carpathian region based on win-win strategies with targeted stakeholders must look for local partners who have the capacity to adapt the projects to the local environment, thereby raising the chances to create sustainable programs.

Act as a broker. The Carpathian Foundation can leverage their long-term relations with key actors, such as local authorities and nonprofit institutions, to act as a broker between the community and the business sector. The Carpathian Foundation's expertise as a granting institution for NGOs, informal groups, and local nonprofits gives them a strong basis for pioneering initiatives and recommending legitimate, transparent, and viable partners for interested companies.

Promote CSR projects and initiatives using the social and community networks comprised of key community actors (formal or informal leaders, schools, churches, business clubs). This is an efficient approach for gaining companies' interest. **These networks can act as highly**



3) The counties Harghita and Satu Mare had in the post communist period a flourishing economic evolution, constantly having a better social and economic trend than the rest of the Carpathian region counties in Romania. During this period, the two counties had little desire to integrate businesses coming from outside the region. This context is changing, due to the changes brought by general economic evolution in the country and in the region.

4) Cone Inc., 2004, Cone Corporate Citizenship Study <http://www.coneinc.com>, accessed May 2006. Dawkins, J., 2004. The Public's Views of Corporate Responsibility 2003, White Paper Series, MORI. Available from <http://mori.com>, accessed 31 May 2006.

efficient communication channels that bypass conventional mass media channels, raise the chances to gain community recognition and legitimacy, and strengthen the liaisons with important community actors.

When the companies do consider media as an important community actor in their CSR strategies, the **partner NGOs are better able to reduce the need for sensational** aspects of a project, and instead are able to emphasize the community component of the CSR projects. This approach is especially effective if the NGOs develop, over time, a strong connection with the media, and familiarize journalists with their activities, mission, and approach.

Take an active role in identifying the local needs.

Local authorities can use their legitimacy as community stakeholders to address local issues. They have the capacity to identify key local needs, and efficiently bring together financial and human resources to address new and existing initiatives.

Case studies

The Study of the State of Corporate Social Responsibility was during the implementation of the research within The Way It Works project framework amended by 5 case studies from each of the four participating countries (Slovakia, Hungary, Poland and Romania). One case study from each of these countries, presented according to the unified methodology, is introduced in this publication. Case studies introduce inspiring examples of corporate social responsibility, as well as partnerships between non-profit organizations and business subjects.

HUNGARY

1. General pieces of information about the enterprise and the local community partners

A. Enterprise

Name of the enterprise: **TELVILL, Ltd.**

Operations of the enterprise: **designing and manufacturing/implementation of communications, electrical and informatics networks**

Size of the enterprise:

Number of employees: **85**

Number of domestic business units: **1**

Annual turnover of the enterprise: **more than 2,500,000 €**

Annual profit of the enterprise: **300,000 €**

Ownership of the enterprise: **domestic/national, 100% Hungarian**

Corporate participants of the CSR activity decision making process: **owners, acting managers**

B1. Partner institution

Name of the institution: **National Incubator Foundation**

Area of operations of the institution: **health care organization, foundation**

Size of the institution:

Number of employees (number of volunteers): **8**

Number of domestic units: **1**

Annual budget of the institution: **500,000 €**

Ownership of the institution: **Hungarian foundation**

Corporate participants of the decision making of CSR activity: **members of the supervisory board**

C1. Major data of the partner relationship

Time of launch of the CSR project/initiative/program: **1998**

Initiator of the CSR project/initiative/program: **business partners**

B2. Partner institution

Name of the institution: **Miskolc Game Reserve**

Area of operations of the institution: **ZOO**

Size of the institution:

Number of employees (number of volunteers): **12**

Number of domestic units: **1**

Annual budget of the institution: **400,000 €**

Ownership of the institution: **100% Hungarian public ownership**

Corporate participants of the decision making of CSR activity: **director**

C2. Major data of the partner relationship

Time of launch of the CSR project/initiative/program: **1999**

Initiator of the CSR project/initiative/program: **local government**

B3. Partner institution

Name of the institution: **Móra Ferenc Elementary School**

Area of operations of the institution: **public education**

Size of the institution:

Number of employees (number of volunteers): **34**

Number of domestic units: **1**

Annual budget of the institution: **100,000 €**

Ownership of the institution: **national public ownership**

Corporate participants of the decision making process of CSR activity: **instructors, teachers**

C3. Major data of the partner relationship

Time of launch of the CSR project/initiative/program: **2000**

Initiator of the CSR project/initiative/program: **directors**

B4. Partner institution

Name of the institution: **Ivancsó-hamlet goat farm**

Area of operations of the institution: **agricultural undertaking/enterprise**

Size of the institution:

Number of employees (number of volunteers): **5**

Number of domestic units: **1**

Annual budget of the institution: **80,000 €**

Ownership of the institution: **Hungarian public property/ownership**

Corporate participants of the decision making process of CSR activity: **owner**

C4. Major data of the partner relationship

Time of launch of the CSR project/initiative/program: **2002**

Initiator of the CSR project/initiative/program: **owner, acting managers**

B5. Partner institution

Name of the institution: **Kandó Kálmán Secondary Technical School**

Area of operations of the institution: **secondary level technical training**

Size of the institution: Number of employees (number of volunteers): 35 Number of domestic units: 1 Annual budget of the institution: 120,000 €
Ownership of the institution: public ownership
Corporate participants of the decision making process of CSR activity: teachers
C5. Major data of the partner relationship
Time of launch of the CSR project/initiative/program: 2003
Initiator of the CSR project/initiative/program: director, owners

B6. Partner institution
Name of the institution: Foundation for the Development of the Vicinity of the Castle of Diósgyőr
Area of operations of the institution: castle, reconstruction of surrounding areas
Size of the institution: Number of employees (number of volunteers): 27 Number of domestic units: 1 Annual budget of the institution: 70,000 €
Ownership of the institution: Hungarian public foundation
Corporate participants of the decision making process of CSR activity: members of the supervisory board
C6. Major data of the partner relationship
Time of launch of the CSR project/initiative/program: 2002
Initiator of the CSR project/initiative/program: head of the supervisory board, acting managers

2. Partnership matrix

Corporate input	Institutional input	Estimated value of inputs (€)	Resources of other partners	Output	
				Benefit of local community	Benefit of enterprise
Incubator for premature babies.	Collection and distribution of contributions.	6,000 € for purchase of incubator	-	Increase of the chances for survival of prematurely born babies.	Increase of partner and customer satisfaction.
Park of statues for extinct animals.	Compiling the plan of the park of statues and management of its creation.	6,500 € for constructing and developing the park	FK Raszter, Ltd.: 6,500 €	Opportunity for cultured entertainment and gaining knowledge about extinct animals.	Winning CSR tenders and prize.
Development and free of charge use of informatics system.	Institutional infrastructure and hiring of instructors.	3,500 € for designing and implementing it	Szinvanet, Ltd.: 6,000 €	Increase of students' knowledge of information technology.	Higher level of commitment of the parents of students employed by the enterprise.
Electricity network, construction of lighting system for public spaces.	Carrying out excavation and concrete laying works.	7,000 € for purchase of computers and their maintenance	-	Meeting the specifications of animal health care.	Acquisition of a new target market.

Equipment of laboratory for electronics measurements.	Institutional infrastructure, acquisition of laboratory instruments and hiring of technical instructors.	7,500 € for purchase of electronics instruments and their renovation.	-	Students gain technical knowledge by using modern instruments.	Availability of better qualified workforce.
Festive lighting for the Lillafüred Mikulás [Santa Claus] train and decoration of the railway station.	Participation in the designing and implementation of festive lighting and decoration.	2,000 € for the costs of the materials for lighting 1,000 € for mounting work.	-	Opportunity for a pleasant excursion in a beautiful environment.	Winning the Prize entitled Civilek Támogatásáért [For Support of Civil Society], positive advertisement.
Total		39,500 €	12,500 €		

Impact on local community	Impact on enterprise
Decrease of infant mortality in the region.	Higher level of customer loyalty and satisfaction.
Increased attention paid to endangered animal species.	Higher level of moral recognition.
More widespread use of computers.	More satisfied workers.
Spreading of healthier lifestyle and dietary habits.	Increase of the resources for support.
Increase of employment chances of those graduated from a secondary technical school.	More effective performance of enterprise workers.
Happier lives of citizens of the region.	Getting into the media focus/coverage.

ROMANIA

A. Company

Company name: **Fornetti Romania**

Business profile: **food production (fast food patisserie)**

Company size:

Number of employees: **630 people and approx 200 working places through the partners' franchises**

Number of national branches:

Annual revenue: **19,000,000 €**

Annual interest: **3,000,000 €**

Company ownership: **multinational**

People involved in decision-making process for CSR practice (please specify position within the company): **company senior management**

B. Partner

Institution name: **CREST**

Institution profile: **NGO, professional development of strategic management, product quality, environment standards, community development, etc.**

Institution size:

Number of employees: **2 staff + approx. 6 consultants (if necessary include numbers of volunteers, as well)**

Number of national branches: **1**

Annual budget: **around 84,000 €**

Institution ownership (if the case): **foundation**

People involved in the decision making process as partner of the company (please specify the position within the institution): **organization management team**

C. Factual data of the partnership

When was the CSR project/initiative/program initiated: **2005**. It was initially planned as a 2 years project, in the end it was implemented for one year. In the second year the company decided to support a professional organization closer to its mission. CREST representative says this happened due to the fact that the company used the one year experience in offering grants and understood the opportunity offered by a partnership with one organization closer to its mission.

The organization administered the partnership and the grant program dedicating a half time job for one year for 10% of the total amount of the sum administered. The role of the person was: make the open call, select the most suitable organizations, follow up the projects implementation, assist NGOs in using the visibility requirements and reporting, inform the company and create the final report (which included narrative information, financial data and an overall view of the program).

Who initiated the CSR project/initiative/program: **CREST**

Project domain: development of the Non-profit sector by creating a corporate internal granting system.

1. Partnership matrix

Corporate input	Organization input	Monetary value of inputs	Other resources leveraged from other partners	Outputs	
				Community benefits	Business benefits
60,000 € sponsorship	know-how in managing the selection and granting process of the 14 NGOs	60,000 € (company)know-how CREST	None	<p>NGOs had the opportunity to receive grants from an institutional structure, for a small amount of money needed for responding to their community needs.</p> <p>Some small NGOs had the opportunity to work with a structured system of funding, which otherwise will be less likely due to bureaucratic requirements.</p>	<p>Corporate visibility in the events organized by the 14 NGOs.</p> <p>Visibility of the company in local and national events related to CSR.</p> <p>Access to know-how related to granting instrument, based on clear criteria, which offer benefits to the company and the community.</p>
Totals		60,000 €			
				Community impact	Impact
				NGOs, especially small ones, gained experience in implementing a grant, which prepared them for similar partnerships in future.	Creation of a better focus on its community program, Improvement of community initiatives.

SLOVAKIA

A. Company

Company name: **Kronospan SK, Ltd.**

Business profile: Roots of Kronospan date back to 1897. The company gradually expanded to other countries and today it belongs to leading companies in wood-based agglomerated materials. Kronospan expanded to Slovakia in 1997 when it took over the company of Drevokombinát Šariš and built on the woodworking tradition in the region of Prešov. The manufacturing program of Kronospan SK includes production of laminate flooring, raw and laminate chipboards and wall panels. Kronospan has a leading position in the sale of large-surface materials within Slovakia, and it is the only Slovak producer of floating laminate flooring too.

Company size:

Number of employees: **400**

Number of national branches: **1**

Annual revenue: **3,024,934,000 SKK⁵**

Company ownership: **foreign company**

People involved in decision-making process for CSR practice (please specify position within the company):

B. Partner

Institution name: **Community Foundation Prešov**

Institution profile: CF Prešov was founded with the aim to support local initiatives of citizens, foundations, civic associations or other non-for-profit subjects in the city of Prešov, which focus on development of culture, sports, health-care, education, work with youth and children, other age groups as well as improvement of environment, support of democracy and environment tolerant to different religions and ethnicities.

Institution size

Number of employees: **2 employees, 1 for separate European project, 30-35 stable volunteers, other 30 occasional volunteers**

Number of national branches: **1**

Annual budget: **2,5 mil. SKK**

Institution ownership (if the case): **foundation**

People involved in the decision making process as partner of the company (please specify the position within the institution): **The first contact is made through the Board, but also the Executive director.** They are connected, each of them has its tasks...

C. Factual data of the partnership

When was the CSR project/initiative/program initiated: **initial talks started in 2000, data in the matrix is only for 2006**

Who initiated the CSR project/initiative/program: **Community Foundation Prešov**

The data in this matrix has been taken from and calculated on the basis of secondary sources—the community partner Community Foundation Prešov and company website www.kronospan.sk

1. Partnership matrix

Corporate input	Organization input	Monetary value of inputs	Other resources leveraged from other partners	Outputs	
				Community benefits	Business benefits
1) Financial donations of the company 2) Financial donations of the company's employees	Managing three funds <ul style="list-style-type: none"> • Green Housing Estates Fund • Kronospan Open Fund • We live here as well... within foundation and grant-making program on behalf of the company (community partner–Foundation) 	528,000 SKK (company) 72,000 SKK (employees)		Dozens of green projects realized – new benches, new trees, new spaces revitalized. Sports tournaments. Children and youth activation.	Good reputation within the local community. Award of the Top Corporate Philanthropist–14th rank in Slovakia. Award of Community Foundation Prešov–the Donor of the Year 2004, 2005, 2006.
In-kind donation of products (floorings) and other material		73,791 SKK (company) 55,314 SKK (community partners, schools and its partners)		At least 5 NGOs and schools received support for their crisis situations or projects improving environment, neighbourhoods.	Good reputation within the local community.
Volunteer time of employees		10,302 SKK (company)		More volunteers involved in community projects.	Staff motivated through volunteering.
Total		739,407 SKK		Impact	
				Better environment, more comfortable public spaces, resolved social problems and active citizens in the neighbourhoods.	Company is perceived as an involved community partner which helps the bad image in the public caused by polluting the environment.



POLAND

Talens Polska, Ltd.

Artistic Secondary School “Talens” (Liceum Plastyczne Talens).

Talens Polska, Ltd. is a successful enterprise producing equipment for artists, located in Lesko. Originally Polish, now part of leading international corporations of that branch—Talens and Sakura, yet it is still enjoying strong autonomy. It undertakes numerous community involvement activities, mostly referring to artistic profile of the enterprise, at the local but also at the national level.

Talens Polska—jointly with sister company TAP—contributes to the **Foundation for Polish Painting**, established in 1999. Its principle goal is to stimulate painting initiatives and support young artists. The Foundation undertakes a variety of initiatives (organizing exhibitions, open air events, supporting galleries, releasing catalogues etc.). The Foundation organizes Forum of Polish Painting, gathering leading professors from many Polish artistic schools. Talens Polska possesses a large **collection of contemporary Polish paintings**, once exhibited in the gallery in Lesko, which was run with the support of local authorities (for the time being gallery is temporarily closed)—the gallery very positively contributed to the promotion of arts in the town. It offers an in-kind support to numerous Polish galleries and museums, which are frequently “underfinanced”.

The key project of Talens Polska is **establishing and running of the Artistic Secondary School “Talens”** (Liceum Plastyczne Talens) in Lesko—the most southeastern school of such kind in Poland. The idea behind the school was “the will to help children of Bieszczady Mountains in artistic career”. Bieszczady are traditionally a poorer area, geographically isolated—the accessibility of this type of education is, therefore, very limited. For the time being, the school relies on financing from Talens Poland, a fact, which added an important new dimension of responsibility for this enterprise.

A. Company

Company name: **Talens Polska, Ltd.**

Business profile: **painting accessories—grounds and easels (wood industry).**

Company size:

Number of employees: **300**

Number of national branches: **1**

Annual revenue: **1,500,000 PLN**

Company ownership: **joint-stock: 50% Polish + 50% international.**

People involved in decision-making process for CSR practice: **executive director (founder), project manager, marketing department.**

B. Partner

Institution name: **Non-Public Artistic Secondary School “Talens” in Lesko**

Institution profile: **educational** (free of charge)

Institution size:

Number of employees: **2 + teachers**

Institution ownership: **Foundation for Polish Painting**—Funded by Adam Pałacki, PhD, founder and co-owner of Talens Polska, Ltd.

People involved in the decision making process as partners of the company (please specify the position within the institution):
Headmaster of the school

C. Factual data of the partnership

When was the CSR project initiated: the idea appeared “couple of years ago”—the school opened in Autumn 2006. Implementation took a year.

Who initiated the CSR project: Adam Pałacki, PhD, CEO, founder and co-owner of Talens Polska, Ltd.

Corporate input	Organization input	Other resources leveraged from other partners	Outputs	
			Community benefits	Business benefits
Financial resources.	Day to day running of the school.	Local authorities (facilitating the search for the school's location)	A new school—improving educational possibilities of the town and the region.	Positive image of the enterprise in the community.
Time and expertise of employees (director and senior management). Some employees teach at the school.	Recruitment of pupils. Promotion of the enterprise. Engagement of pupils in the life of the enterprise (events, Christmas etc.).	Business partner (logistic assistance in organizing an excursion) Wrocław Academy of Arts (advice from professors on how to organize the school)	Children have one reason less to leave the region—they can begin a career in Lesko. Pupils and school contribute to economic situation by spending money in Lesko.	Positive perception of the enterprise in Polish artistic community. Investing in potential future partners or even employees of the enterprise. Contributing to the development of the region.
Promoting of the school through Talens' business network.		Support from Centrum Edukacji Artystycznej (Center for Artistic Education).	Pupils engage in life of the town. Other "stakeholders" get involved—e. g. school encourages some artists to gain pedagogical skills.	
			Impact	
			Raising life opportunities for a large number of artistically talented children of the Bieszczady Mountains region.	The company opens a new dimension of responsibility, gets involved in long term support of education in the region.



Glossary of the CSR related terms

Accountability

Ability and willingness of an organization or its representatives to show the way of funds spending and efficiency of their activities. In the non-profit sector, this term is used to express responsibility of the non-profit organization to inform donors about the way in which their donations were used and to name the process of building of trust and credibility towards public and other stakeholders.

Cause-Related Marketing

A strategic marketing form of cooperation between a profit-generating and non-profit organization, in which the non-profit subject renders its name, image, label or logo (license) for a social support of another firm or sale of its product or service. The firm in return offers to the non-profit subject a certain form of compensation, a share of the sale of each item, time or other non-cash payoff, e. g. spreading of information about some social problem (e. g. yoghurts bearing a logo of support for flood victims; butter and proceeds from its sale, invested in providing internet connection for schools; foster parent care promoted on the milk cartons; etc.)

Target Group

Individuals, groups of inhabitants, organizations or firms, addressed by the activities of the subject.

Corporate Social Responsibility

An overall relationship of a firm and all its stakeholders—customers, owners-investors, employees, public authorities, suppliers, competitors, communities, etc. It involves the firm's commitment to develop its economic activities effectively and responsibly towards society and environment, while taking into account interests of all stakeholders.

Tax Assignment

A possibility for a natural or legal person to assign a certain part (2%) of its income tax, calculated per preceding period, for some non-profit organization. More information available at www.rozhodni.sk.

Donation Contract

A legal act, by which a donor gives something to a gift receiver on the basis of conditions stated in a contract. The donation contract provisions are governed by articles 628-630 of the Civil Code.

Direct Marketing

The area of marketing, in which the target groups are approached directly without mediators. Direct marketing includes direct mail, telemarketing and e-mail marketing.

Donor

An individual or an organization, which gives some donation or a gift. Grants are one of the forms, used mainly by foundations.

Evaluation

Evaluation is a process of evaluating of a progress of some program or project, its impact or efficiency in achieving set goals. An organization's performance can also be evaluated.

Philanthropy

1. Voluntary activities to promote a publicly beneficial cause, without expecting a counter-value.
2. Love for mankind, usually manifested as efforts to improve public well-being by personal charitable acts or financial support for some area without expecting a counter-value.
3. Any effort to alleviate poverty or human suffering, improve the quality of life, help or maintain certain values by offering gifts, services or other voluntary activities.

Fund

A non-profit entity (either as an individual legal person or its part—e. g. part of a foundation), the mission of which is to support some public benefit purpose by gathering money funds from various sources and their further re-distribution to other subjects. Unlike foundations, funds do not have endowment, which can be valorized, and it can only gather money funds. Funds, which are parts of foundations, are called foundation funds.

Fundraising

A wide variety of activities and ways by which non-profit organizations gain resources for their work—e. g. financial resources, movable and immovable assets, information, know-how, time, etc.

Governance

Decision-making structure and manner, which involve board of directors, employees and stakeholders. In the non-profit sector it is related to activities of board of directors that follow and influence a long-term direction of a non-profit organization.

Grant

Allocation of financial resources, usually by a foundation, fund, or some organization, to an organization or individual so that they can carry out activities (e. g. educational services, social services, environment protection, etc.).

Grant (Grant-making) Program

The way of financial help (grants) re-distribution to various subjects in order for them to carry out activities that are in accord with the provider's mission and in advance set criteria of the grant provider. Grant programs are usually managed by foundations or funds.

Program implementation

Carrying out of a program according to some criteria—implementation of activities with the aim to achieve required outcomes.

Co-financing

Taking part in multi-source funding.

Community

A group of people, which are mutually linked in some recognizable way—in this context mainly geographically defined communities—neighborhoods, settlements, towns, rural settlements, microregions, etc. People in such communities are mainly linked by same place of residence and sometimes also by work.

Cross-sector (Multisector) Cooperation

Voluntary strategic alliance, a cooperation between organizations belonging to public, business and non-profit sector (or to one of them) with the aim to mutually increase their capacity to achieve common goals and share resources, responsibility, profits and risks.

Grassroots

Individuals or organizations on a local level, working very closely with stakeholders in communities.

Foundation

A non-profit non-governmental organization, the mission of which is to gather, valorize and distribute resources to support other non-profit organizations and projects. In Slovakia, their status is governed by the Act 34/2002 of the Statute concerning foundations, which defines them as specific combination of resources for support of a publicly beneficial cause.

In-kind Gift, Contribution

Donating of products, services, providing of office space, information, time of employees, volunteers' input or other non-financial resources.

Non-profit Organization

An organization, whose aim is to saturate some generally beneficial (for wide public) or mutually beneficial (for a certain group) cause. In society, the subjects can be divided according to generating of profit into profit and non-profit organizations. According to founder, the non-profit organizations can be divided into public—either state or self-governmental (hospitals, schools, etc.)—and non-governmental (civic associations, foundations, non-investment funds, non-profit organizations providing commonly welfare services, legal persons' associations, organizations with some international element). Non-governmental non-profit

organizations are characterized by 5 qualities: formal structure, independence from state, autonomy, voluntary character and non-profit-making.

Business-Community Partnerships

A term expressing corporate social/community involvement, including corporate philanthropy and corporate citizenship (e. g. a firm regularly supporting local school or cooperating with local self-government).

Partnership

Relationship, in which individuals or organizations have equal ambitions to achieve a common goal and in which they act as partners within a defined framework of responsibilities and competences.

Corporate Philanthropy

A firm's support of a non-profit organization or a project through the firm's own corporate giving programs or a corporate foundation. It can be in a form of donating financial resources, products, gifts, equipment, information, know-how or even time of the firm's employees.

Corporate Giving Program

Donation program for non-profit subjects or projects created and administered by some firm or business. Corporate giving programs directly utilize the firm's resources and the firm includes these in its budget and accounts. The program can be created jointly by the firm and a foundation, which can independently administer the program for the firm, too.

Employee Volunteer Programs

Some firms encourage their employees' voluntary involvement in community according to employees' interests as part of the firm's strategy. It can help firms to recruit and keep higher-quality employees; to motivate them and it can also improve the overall performance. See also the term Employee Involvement

Public Relations (PR)

A strategic process of creating, maintaining and managing of organization's publicity and relations with its immediate surroundings and environment (e. g. press conference, exhibition, event, presentation, etc.)

Stakeholder

Any individual, group or subject, which directly or indirectly influences, or is directly or indirectly influenced by the firms/organization's operation. Internal stakeholders (e. g. employees and their families, trade unions, volunteers) and external stakeholders (e. g. clients, customers, suppliers, owners, donors, financial groups, local community, politicians, professional and academic organizations, environmental groups, biosphere, whole population, etc.) belong here.

Strategic Planning

A complex process of analysis of a contemporary situation in an organization's internal environment, as well as outside it, of setting goals and alternatives for their achieving with concurrent effective fulfilling of the organization's mission. The outcome of strategic planning is a written document—a strategic plan.

Transparency

The system, in which an organization operates openly and it allows access to information so that stakeholders are able to follow its decisions, activities and using of resources. It is important in the process of building of the organization's credibility and public trust.

Public-Private Partnership

A partner cooperation, which includes a public (governmental) sector subject and a private sector subject—either a profit-making or a non-profit one. The goal is common solving of problems of community, region, country or the whole planet, and achieving of a social change.

Multi-source Financing

Using more sources of funding for project or organization's costs.

Corporate Community Relations

A firm's relations with community it operates in—it includes building of relationships with stakeholders, as well as impact of the firm's activities on the community. Programs reflecting interests of both the firm and the community belong here—e. g. corporate philanthropy, employee volunteer programs, community partnerships.

Employee Involvement

Several forms of cooperation between firms and non-profit organizations, which utilize interest, time, talent or financial resources of employees in favor of non-profit activities. Among other forms, employees' volunteering, campaigns in workplace, employees' contributions or employer matching contributions of its employees, belong here. See also the term Employee Volunteer Program.

Employee Matching Gift

A contribution of an entrepreneurial subject employee for some non-profit organization, which is multiplied by the employer from his own resources. It can serve as a motivation for employees or for increasing employees' loyalty (e. g. to each 100 SKK donated in favor of a certain cause, the employer donates equal or higher amount).

Responsible Entrepreneurship

United Nations has created a concept, which recognizes a specific role of businesses in achieving sustainable development. At the same time, it stresses that businesses can develop their activities in such way that, while increasing their competitiveness, they also support not only their own economic growth, but also contribute to nature and environment protection and increase their social involvement.

Source: www.partnerstva.sk

Project partners

The Way It Works project was implemented by the Carpathian Foundation Slovakia in cooperation with other organizations involved in the Carpathian Foundation Network, as well as with other partner organizations, which offered their expertise and know-how. Apart from the project coordination, the Carpathian Foundation Slovakia realized most of the project activities in Slovakia.

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CARPATHIAN FOUNDATION SLOVAKIA has also implemented projects and activities aimed at the development of the East Slovakia region (Košice and Prešov counties), civic society development, support of partnerships and cooperation among different sectors, as well as cross-border cooperation within the Carpathian region.

One of the last projects, implemented by the Carpathian Foundation within the terms of the abovementioned mission and in cooperation with the Carpathian Foundation International in 2006, was the European Citizens' Panel project. The aim of the project was to build a model of efficient communication between citizens and local, regional and national decision-makers. The Carpathian Foundation became the partner of nine European countries in the initiative. Randomly selected citizens of the Bodva Valley microregion and the Hungarian Szikszó microregion have thus actively participated in designing of their region's future and identifying of the problems and challenges to be solved by politicians at different levels.

Realization of activities in Hungary, Poland and Romania was possible with help of the Carpathian Foundation Network partner organizations.

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CARPATHIAN FOUNDATION HUNGARY carried out The Way It Works project activities in the area that forms a part of the Carpathian region – in Borsod-Abaúj-Zemplén, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok and Szabolcs-Szatmár-Bereg counties.

Apart from other activities, the Carpathian Foundation Hungary is also implementing the first pilot project within the BRIDGE concept, started by the Foundation at the beginning of 2006. The project is realized in the Szikszó microregion and aims to create foundations for long-term employment possibilities through organizing specialized training courses for selected participants. The Foundation acted as a partner organization

within the project and its role in the project was acknowledged by the Foundation being nominated for the National Office for Development Award for the best project promoting equality of opportunities for local actors. This acknowledgement and award reinforced the efforts of the Carpathian Foundation Hungary to continue gaining project ideas from various stakeholders in the region and implement them.

CARPATHIAN FOUNDATION POLAND realized The Way It Works project activities in the Podkarpacie province, which forms a part of the Carpathian region. The most significant project of the Carpathian Foundation Poland is the project Carpathian House, which received funding from the Norwegian Financial Mechanism in November 2006. Carpathian House is a space in which activities aimed at stimulating cooperation in border regions of Poland, Hungary, Slovakia, Romania and Ukraine are going to be implemented in years 2006–2009.

Another cross-border project is implemented by the Foundation in cooperation with Centre for Community Work in Přerov, Czech Republic. The main focus of the project 'About People With People—Award for Local Democracy Support' is exchange of experience and awarding the best practices of civic participation in decision-making processes in the V4 countries.

CARPATHIAN FOUNDATION ROMANIA implemented The Way It Works project activities in these Carpathian region counties: Bihor, Botosani, Harghita and Maramures. Another project, Partnership for Community', aimed at gaining information, findings and best practices of the corporate social responsibility concept from the business sector of the Bihor county, also follows up The Way It Works international project and complements the CSR related activities.

Carpathian Foundation Romania has also taken part in four other European projects. One of them (TRIN II) attempts to enhance knowledge and deepen understanding in relation to the topic of social exclusion and inclusion in countryside regions. The project joins partners from five European countries and offers the space for activities aimed at implementing and utilizing information technologies as means of social inclusion of excluded groups.

Apart from the partner organizations that form the Carpathian Foundation international network, other project partners were: Telegrafia, a.s. from Košice and the National Contact Point of the Committee on International Investment and Multinational Enterprises, working under the Ministry of Economy of the Slovak Republic.

We would like to express our gratitude to all partners for their cooperation!

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