

**OBSTACLES AND POSSIBILITIES OF DRUG AND ALCOHOL MISUSE
PREVENTION IN THE FRAME OF CORPORATE SOCIAL RESPONSIBILITY IN
HUNGARY**

By

Gergely Radácsi

Submitted to
Central European University
Department of Public Policy

In partial fulfillment of the requirements for the degree of Master of Arts in Public Policy

Supervisor: Professor Péter Hardi

Budapest, Hungary
2008

Executive Summary

Today, in spite of the many governmental and non-governmental initiatives, drug and alcohol misuse is still a problematic topic in Hungary. According to the Hungarian Central Statistical Office (KSH), the number of treated drug-users in 1997 was 8,494 persons, which almost doubled by 2006, reaching 15,480 persons, and the estimated number of alcoholics in 2006 is 509,000 persons out of the total 10,076,581 inhabitants (KSH, nd.). These numbers clearly show that prevention activities addressing drug and alcohol misuse should develop further. In line with the National strategy to combat the drug problem in Hungary and the recommendations of the 11th paragraph of the United Nations Declaration on the Guiding Principles of Drug Demand Reduction (ILO, 2000b), this development of prevention activities in Hungary should mean the involvement of business organizations as well, as currently such involvement is on very limited scale (Ifjúsági és Sportminisztérium, 2000). In spite of these recommendations, however, there is very limited data and research available about the actual involvement of business organizations in the field or the reasons of the low participation. When thinking of involvement of business organizations in the resolution of social issues, Corporate Social Responsibility (CSR) is the framework that obviously has to be taken into consideration, and this is why this thesis discusses business involvement in the fight against drug and alcohol misuse in the frame of CSR.

The purpose of this paper is to fill the above-mentioned information gap and, on the one hand, to investigate whether in Hungary prevention programs addressing drug and alcohol misuse are actually avoided by business organizations when planning their CSR activities, and on the other hand, if this is true, to investigate the reasons of this avoidance. Beyond that, the research also aimed to list the factors and changes that could lead to long-term strategic partnership among business, governmental and non-governmental organizations. Considering

the lack of research in the field, the investigation focused mostly on the personal opinions and practical recommendations of the involved actors (including representatives of governmental, non-governmental and business organizations as well), and the introduction of good practices in the field.

The result shows that even if CSR is improving in Hungary, business organizations directly avoid the issue of drug and alcohol misuse, even if the involvement of business CSR in this field would be “highly desirable” (Appendix I). The biggest obstacles of the extension of CSR to drug and alcohol prevention in Hungary are the low level of political commitment, the low public support of the issue, the limited knowledge of business leaders about the way it affects their interest and about the possible ways of business involvements in the field, and finally, the lack of strategic consideration of employees and the society as key stakeholders by most of the business organizations. In order to build long-term strategic partnership among business, governmental and non-governmental organizations in the field (which is the recommendation of this paper), political commitment, and overall political programs are necessary. These programs should include overall communication campaigns that address the change of the current “refusal public environment” (Appendix VIII) and the persuasion of business executives that it is in their companies interest to get involved in prevention programs.

To improve the common understanding with the business sector in general and their CSR activities in particular, employment of CSR specialists and the involvement of professional advisories in the drug policy field is highly recommended. The government should promote the general implementation of CSR as well, with incentives (such as tax brakes or special CSR awards), the change of legal frameworks (such as the current media law), and the raise

of the awareness of consumers and the society on social and environmental issues (UNDP, 2008).

Governmental organizations and the politicians (parties and individuals) should stand for the problem and launch overall communication campaigns together with the civil society in order to change the current “refusal public environment” (Appendix VIII) and to persuade business executives that it is in their companies interest to get involved in prevention programs. In addition, political commitment should also be realized in an increase in the allocated resources and power for governmental institutions like the Drug Coordination Unit of the Ministry of Social Affairs and Labour, which should be the engine of the above mentioned strategic partnership. To improve the common understanding with the business sector in general and their CSR activities in particular, employment of CSR specialists and the involvement of professional advisories in the drug policy field is highly recommended. The government should promote the general implementation of CSR as well, with incentives (such as tax brakes or special CSR awards), the change of legal frameworks (such as the current media law), and the raise of the awareness of consumers and the society on social and environmental issues (UNDP, 2008).

Regarding practical implementations, as a first step, all forms of business organizations should consider the health of their workforce strategically, and implement primary and secondary workplace prevention programs addressing drug and alcohol misuse (in the form of Employee Assistance Programs). As a further step, particular industries (e.g. information and telecommunication companies, audit and financial advisory service providers or sport equipment producers) can strategically undertake the issue of drug and alcohol misuse

prevention in the frame of their CSR activities, addressing not only their own workforce but other stakeholders as well.

The final conclusion of the thesis is that in spite of the obstacles, there is a fair possibility to reach a breakthrough in the involvement of business organizations in the fight against drug and alcohol misuse, but for that, business, governmental and non-governmental organizations have to collaborate at an advanced level, which requires the common understanding of the issue as a first step.

Table of contents

EXECUTIVE SUMMARY	I
1 INTRODUCTION	1
2 METHODOLOGY	4
2.1 FIRST STEPS	4
2.2 THE RESEARCH.....	6
3 PREVENTION ACTIVITIES IN THE FIELD OF DRUG AND ALCOHOL MISUSE	10
3.1 THE HUNGARIAN SITUATION	10
3.2 INVOLVEMENT OF BUSINESS ORGANIZATIONS IN PREVENTION ACTIVITIES ADDRESSING DRUG AND ALCOHOL MISUSE.....	12
4 ABOUT CSR.....	18
4.1 DEFINING CSR.....	18
4.2 EVOLUTION OF CSR.....	19
4.3 CSR TODAY.....	21
4.4 STRATEGIC INVOLVEMENT.....	24
4.5 CSR IN HUNGARY	25
5 EMPIRICAL FINDINGS.....	28
5.1 THE FIRST RESULTS	28
5.2 INTERVIEW OUTCOMES	29
5.3 SHORT ANALYSIS OF THE RESULTS	34
6 CONCLUSIONS AND RECOMMENDATIONS.....	36
6.1 CONCLUSIONS.....	36
6.2 FRAMEWORK FOR PRACTICAL IMPLEMENTATIONS.....	39
6.3 CONCLUDING REMARKS.....	41
APPENDIX I.....	42
APPENDIX II	43
APPENDIX III.....	45
APPENDIX IV	47
APPENDIX V	49
APPENDIX VI.....	51
APPENDIX VII.....	53
APPENDIX VIII	56
BIBLIOGRAPHY:.....	58

1 Introduction

Holding a Masters degree in the field of economics and another degree in marketing and advertisement management and having worked first in an environmentally oriented International Organization and later in an NGO in the field of family youth and childcare, I believe my interest in the development of Corporate Social Responsibility (CSR) is easy to understand. Later I got involved in the work of the Inter-ministerial Drug Committee of the Hungarian Parliament, where I realized that the issue of drug and alcohol misuse is a vital topic in Hungary (according to the Central Statistical Office, the estimated number of alcoholics in 2006 was 509,000 out of the total 10,076,581 inhabitants, and the number of treated drug-users in the same year was 15,480, twice as many as it was in 1997). In addition, I also experienced that the business sector was rarely mentioned during the sessions and that in Hungary, there is very limited data and research available about the involvement of business organizations in the field of drug and alcohol misuse prevention or the attitudes of business organizations toward this issue, in spite of the fact that such involvement is the recommendation of basic principles such as the United Nations Declaration on the Guiding Principles of Drug Demand Reduction. In its 11th paragraph, the declaration concludes:

A community-wide participatory and partnership approach is crucial to the accurate assessment of the [alcohol and drug] problem, the identification of viable solutions and the formulation and implementation of appropriate policies and programmes. Collaboration among governments, non-governmental organizations, parents, teachers, health professionals, youth and community organizations, employers' and workers' organizations and the private sector is, therefore, essential. (ILO, 2000b)

As it will be discussed later in Section 3, when thinking of involvement of business organizations in the resolution of complex social problems such as drug and alcohol misuse, CSR is the framework that obviously has to be taken into consideration, as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” (European Commission,

2001). This is why this paper discusses business involvement in the fight against drug and alcohol misuse in the frame of CSR.

First of all, the aim of the research was to fill the above-mentioned information gap and, on the one hand, to investigate whether in Hungary prevention programs addressing drug and alcohol misuse are avoided by business organizations when planning their CSR activities, and on the other hand, if this is true, to investigate the reasons of this avoidance. Beyond that, the research also aimed to list factors and changes that could lead to long term strategic partnership among business, governmental and non-governmental organizations in the field of drug and alcohol misuse prevention, because major governmental actors (such as The World Bank and the United Nations Development Program) consider strategic partnership, as the most advanced and successful form of collaboration for solving such complex social problems (Eweje, 2004).

Considering the lack of research in the field, the investigation focused mostly on personal opinions and practical recommendations of involved actors (including representatives of governmental, non-governmental and business organizations as well). After this introduction, the paper consists of five parts. The first one gives a short overview of the Hungarian drug and alcohol situation and discusses the involvement of business organizations in prevention activities addressing drug and alcohol misuse. The second part of the paper is an introduction of the notion of CSR, including the definition, the evolution and the current practical features of CSR in general, the introduction of strategic CSR and the description of the Hungarian CSR situation. The third part is a detailed introduction of the research methodology, including the evolution of the research and the introduction of the interviewees. The fourth part of the

paper is the summary of the interview outcomes, and the last part of the paper consists of conclusions and recommendations for further actions in the field.

2 Methodology

2.1 *First steps*

As I mentioned in the introduction, I started this research as a result of the realization that in Hungary there is very limited data about the actual business CSR activities in the field of drug and alcohol misuse prevention or the attitudes of business organizations toward this issue. Therefore, at this point my aim with the research was to fill this information gap and, on the one hand, to investigate whether in Hungary prevention programs addressing drug and alcohol misuse are avoided by business organizations when planning their CSR activities, and on the other hand, if this is true, to investigate the reasons of this avoidance.

Considering the lack of research on the topic, I planned to turn to representatives of governmental, civil and business organizations, both in the field of Corporate Social Responsibility and the prevention of drug and alcohol misuse, to obtain their personal insights and opinions. The result of my conversation, which I had with my first interviewee, the Head of the Drug Coordination Unit of the Ministry of Social Affairs and Labour, Hungary, however, broadened the scope of the research.

I turned to the Drug Coordination Unit of the Ministry of Social Affairs and Labour, as they are in the position to provide the most overall and up-to-date information on the issue of drug and alcohol prevention activities in Hungary, since among their responsibilities are: “Enhancement of inter-institutional professional cooperation; Coordination of the prevention activities; Ensuring the framework of the representation of and the collaboration with the civil organizations; Publication of the yearly report on drugs; Communication and form of public attitude” (Drug Coordination Unit, 2008, p. 5 - 6). I had a conversation with Péter Portörő

(Head of the Unit). During this conversation, I raised three questions to Mr. Portörő. The questions were:

1. Is it important in Hungary to have business organizations involved in the fight against drug and alcohol misuse? If yes, why?
2. Are prevention programs addressing legal and illegal drug usage avoided by business organizations in the course of their CSR activities?
3. If, yes, according to the Drug Coordination Unit, what factors could change the current situation in order to involve business organizations in drug and alcohol misuse prevention?

This conversation and the written standpoint of the Unit¹ which they sent me after the personal meeting, not only confirmed my supposition that business CSR is not (or only at limited scale) present in the field of drug and alcohol misuse prevention in Hungary, but emphasized that such business involvement would be highly desirable in the field. The basic recommendation of the Unit, namely, that the solution of a complex social problem (such as the problem of alcohol and drug misuse) requires that “all segments of the society [] join forces for the sake of resolution” (Appendix I), further broadened my research objectives. From this point, my aim was not only to find the reasons of this avoidance, but also to collect the recommendations of representatives of business, governmental and civil organizations to build strategic partnerships in the field of drug and alcohol prevention, because this form of collaboration is considered by major governmental actors (such as The World Bank and the United Nations Development Program) as the most advanced framework for solving complex social problems (Eweje, 2004).

¹ The English language summary of this document can be found in Appendix I.

2.2 The research

In order to reach this “broadened” aim, in the remaining part of my research I was looking for answers to the following research questions:

- Is it true that business organizations avoid prevention programs which address drug and alcohol misuse when planning their CSR activities?
- What factors and changes could lead to a long-term strategic partnership among business, governmental and non-governmental organizations in the field of drug and alcohol misuse prevention?

As I expected to receive the most valuable information on the topic in the form of the personal opinions and recommendations of the involved actors, I relied mostly on qualitative research methods and conducted semi-structured interviews. I selected the following organizations and individuals in order to have a wide range of representation of both the issue of CSR and the prevention of drug and alcohol misuse:

- The National Institute for Drug Prevention, Hungary (NDI).

This public institution is primarily responsible for drug prevention under the Ministry of Social Affairs and Labour, in a way to provide support for implementing the National Strategy on Drugs in the area of prevention, to conduct research and to disseminate prevention materials to local partners (EMCDDA, 2008). At NDI I interviewed Ákos Topolánszky, who is not only the deputy director of the Institute, but by being founder member of several non-profit organizations in the field of drug and alcohol misuse prevention and rehabilitation (among others in the Drop-out Youth Rescue Mission and the Association of Hungarian Drug Therapeutic Institutions), he represents the standpoint of non-profit organizations in the research as well.

- Ministry of Economy and Transport, Hungary.

I interviewed Sándor Lakatos, who is the CSR Director at the Ministry. This position is the highest level representation of CSR in the Hungarian public sphere.

- The joint project of the Hungarian Ministry of Social Affairs and Labour, the Employment Bureau and the International Labor Organization, entitled “Mobilizing Enterprises and Workers to Prevent Substance Misuse in Central and Eastern Europe”. This program is the framework of the activities of the Hungarian Government in the field of workplace drug and alcohol prevention. I interviewed Dr. István Cserne, who is a psychiatrist and the expert of the program.

- Braun&Partners Network, Hungary.

Braun&Partners is a for-profit CSR advisory network, which is also a member of the international AccountAbility Network. My respondent was Róbert Braun (executive director). I was not only interested in his insights as representing the for-profit CSR advisory industry, but also as being an international expert of a regional CSR project of the UNDP entitled “Accelerating CSR practices in the new EU member states and candidate countries as a vehicle for harmonization, competitiveness and social cohesion in the EU” (UNDP, 2008).

- Sziget Cultural Management.

Sziget is an influential media organization in Hungary, which, among others, is the organizer of the biggest youth festivals in the country. Within these festivals they ensure free presence for civil initiatives addressing alcohol and drug prevention. In addition, starting in 1999, Sziget Cultural Management has been running a project

called “Addictions’ day”, with the aim of changing the negative opinion of the public about addicts. I visited this organization, not only as they represent the media’s point of view, but also as because they have practical experience in the field of drug and alcohol misuse prevention. My respondent was Károly Gerendai, Founder and Managing Director.

- KPMG Hungary.

KPMG Hungary is a member of the global network of KPMG, which provides audit, tax and advisory services. “Currently KPMG Hungary is a supporting practice of the KPMG Global Sustainability Services Network aiming full membership in the near future” (Appendix VII.). KPMG Global Sustainable Services publishes every three years the so-called KPMG International Survey of Corporate Responsibility Reporting, which analyzes trends in CR reporting of the world’s largest corporations (KPMG, 2005). This is why I turned to KPMG Hungary, to include their aggregate experiences in my research about the CSR practices of business organizations in Hungary. My respondents were Tamás Hegedűs, manager, and István Szabó, advisor.

- Magyar Telekom Group.

I included the Magyar Telekom Group (a market leader corporation in the field of telecommunications and information technology) in the interviewed organizations, not only as being one of the biggest companies in Hungary, but also because Magyar Telekom is well-known for its CSR commitment. The respondent was Zoltán Kapitány, Head of Brand Management and Online Communications Department².

² This department is responsible for sponsorship and Corporate Social Responsibility at Magyar Telekom Group.

In the course of the interviews, I raised one closed and two open-ended questions for every interviewee³. The questions were:

1. Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?
2. If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?
3. What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

To record the answers, I took notes after receiving the consent of the interviewees. The language of the interviews was Hungarian. In order to do a participant check, after conducting the interviews I sent back to the interviewees English-language interview minutes for their approval. For these interview minutes, see Appendix II - VIII.

³ Except in the case of KPMG Hungary, in which I raised an additional general question to learn about the approach of KPMG Hungary towards CSR (see Appendix VII.).

3 Prevention activities in the field of drug and alcohol misuse

3.1 *The Hungarian situation*

Before the 1990 political and economic transition, in Hungary, the issue of drug and alcohol misuse meant a high number of alcoholics, and, regarding drug consumption, the widespread volatile solvents sniffing by teenagers, the misuse of prescribed medicines (such as that of Codeine), and also poly-drug usage with or without alcohol. At this time, as a result of the strict border-control and internal political system, drug misuse was at a very low level. After 1990, however, the situation changed, and the problem of drugs arrived.

While before 1990 the total amount of drugs seizures in Hungary was less than half a kilogram and in 1990 only 3.9 kg heroin and 2.5 kg hashish was seized, the seizure in 1993 was 427 kg heroin and 253.5 kg hashish, and in 1998 the seizure of heroin exceeded 800 kg (Szomor, 1994). In the nineties, the rate of drug crime and drug related crimes significantly increased. Number of offenders was 19 persons in 1990 and 100 persons in 1993, more than half of whom were foreigners (Szomor, 1994). The rate of Hungarian offenders has grown up to 95% by 2000, indicating that mainly Hungarian criminal organizations control the drug trade and also that the number of drug misuse cases was on the increase (statistical data of the National Police Headquarters, as provided for the purpose of this study by Katalin Szomor, drug expert, Drug Commission of the Hungarian Parliament).

The first prevention programs was piloted in schools in 1988/89, such as that of CHIEF-Hungary, entitled Health in Your Body and Soul (CHIEF-Hungary, 1992), the Drug and Alcohol Dependence and AIDS education program (DADA) performed by young policemen, Life Skills, a personality development and drug prevention program by the prevention workgroup of the Interministerial Drug Committee and Éva Csendes (Csendes, 1996), and the

Soros health education project by an NGO called Egészségvirág Egyesület (Elekes and Paksi, 2000). For today, several governmental (such as The National Institute of Drug Prevention) and non-governmental (some 150 NGOs are listed on the website of the Drug Coordination Unit of the Ministry of Social Affairs and Labour) institutions deal with prevention of drug and alcohol misuse.

In spite of these programs, however, the seizure of drug misuse increased in the last few years. According to the Hungarian Central Statistical Office (KSH), the number of treated drug-users in 1997 was 8,494 persons, which almost doubled by 2006, reaching 15,480 persons (KSH, nd.). As far as alcohol misuse is concerned, the positive change in the drinking-habits, the work of relevant NGOs and the treatment of alcoholics improved the picture somewhat, but the problem is still significant, as the estimated number of alcoholics in 2006 are 509,000 persons out of the total 10,076,581 inhabitants (KSH, nd.). These numbers clearly show that drug and alcohol misuse is still a vital topic in Hungary and prevention activities should develop further.

In line with the National strategy to combat the drug problem in Hungary and the recommendations of the 11th paragraph of the United Nations Declaration on the Guiding Principles of Drug Demand Reduction (ILO, 2000b), this development of prevention activities in Hungary should mean the involvement of business organizations as well, as currently such involvement is on very limited scale (Ifjúsági és Sportminisztérium, 2000). To find ways for involving companies in the fight against drug and alcohol misuse is not only in the interest of the society in general, but also in the interest of business organizations and the Hungarian economy in particular, considering that the WHO (World Health Organization) estimates the social damage of such addictions to reach 3-6 % of the GDP (1000-1900 billion

HUF annually in Hungary), which appears mostly as loss for the employers (Topolánszky, 2008). In order to contribute to the understanding of possible ways of business involvement in the fight against drug and alcohol misuse, the next section reviews the issue in general, and introduces practical implementations from Hungary in particular.

3.2 *Involvement of business organizations in prevention activities addressing drug and alcohol misuse*

In general, business organizations are involved in prevention programs addressing drug and alcohol misuse in two ways. First, as a way of outward CSR activities, which means allocating financial or material support for prevention projects (mostly NGO initiatives) in the form of classical philanthropy, charity, or the strategic support of particular projects⁴. Second, as a way of inward direct implementation of workplace prevention programs.

Workplace programs generally serve as both primary and secondary prevention of drug and alcohol misuse. As primary prevention, the objective of these programs is to keep employees from drug and alcohol misuse and to protect them, their families, the effectiveness of the company and in a broad sense the society from the possible negative consequences of such misuse. The negative consequences can be, “adverse health consequences, increased absenteeism, deterioration in interpersonal relations, deterioration in job performance, lowered productivity, increased accidents, increased disciplinary problems, increased personnel turnover, training and recruitment costs, [and] damage to the reputation of the enterprise” (ILO. 1996, p. 26). On the other hand, secondary prevention addresses those employees who have already been affected by the misuse of drugs and alcohol, with the aim

⁴ The different forms of outward CSR activities are discussed in Section 4.

to prevent the worsening of their conditions and to eliminate (or at least reduce) the above listed negative consequences. In line with these objectives, workplace prevention programs include the identification of the problem (by surveys and/or the testing of bodily samples), information and education campaigns, and employee assistance, treatment and rehabilitation programs (ILO, 1996).

For employers, the cooperation with social partners (such as medical personnel and other experts and institutions in the field of alcohol and drug prevention) is not only great help, but it is also crucial because of the complexity of the issue. For today, not only many non-profit and for-profit organizations are providing services in this field, but highly sophisticated materials are also available (such as those of the International Labour Organization) to help the development of internal programs.

In Hungary, in spite of the praiseworthy tendency that more and more business organizations support health-related projects and set the improvement of the next generation as a target in the frame of their CSR activities (such as EON or DENSO), the issue of drug and alcohol prevention is considered only on a very limited scale. Concerning outward CSR activities, only a few initiatives are documented. For charity, Magyar Telekom's support of Kék Pont's (an NGO in the field of drug prevention) complex health-related school project can be mentioned as a good example. This prevention program, which addresses alcohol and drug prevention as well, received 2 million HUF in 2007 from this telecommunication company (Kék Pont, 2008). In addition, a few companies went further and approached the issue with a strategic sense. The following initiatives are important to be noticed because they can serve as good practices for the future.

Magyar Telekom, as the main land-line telecommunications provider and market leader in the Hungarian information and telecommunication sector, has supported NGOs that provide free help-lines. In this way, between 1998 and 2007, 26 NGOs with most diverse missions (such as the prevention of suicide, care for the elders or the drug issue) have received contributions from the company. In the particular field of drug and alcohol misuse, an NGO called Drog Stop has received support every year to operate a free help-line for those who want anonymous help in drug issues. (Magyar Telekom, 2008)

The other two programs are not only good practices for strategic CSR involvement in the field, but also good examples of working partnerships among business, governmental and non-governmental organizations. These two programs were Levis' initiative to ensure the broadcast of a drug prevention animation called Drug World, and Saxoo London's campaign called Lifelines. Both programs were introduced with the aim of targeting the brands' main customers, i.e. the teenagers and young people, in order to prevent drug and alcohol misuse.

In 1998, Levis initiated and supported the introduction and wide range broadcast of a British short-animation, called Drug World, in the frame of their global CSR strategy to fight against HIV/AIDS. This program meant the translation (involving Hungarian celebrities) and the dissemination of this animation, which presents the danger of drugs in a language that is appropriate for teenagers. In order to reach the highest possible effectiveness, Levis collaborated with NGOs in the field, with governmental organizations (such as the Ministry of Children, Youth and Sport) and with the media (e.g. Budapest Film, which distributes movies to Hungarian cinemas). The project had a promising start and received both governmental and media attention, but it could not reach its long term aim, to get to the Hungarian class rooms. According to Zoltán Valcsicsák (Manager of Community & Corporate Citizenship, Levi

Strauss Foundation), the project stopped in 2001, as a result of several circumstances, such as the general misunderstanding of CSR, the lack of allocated resources by the partners and the weakening of the political commitment toward the project (personal communication with Zoltán Valcsicsák, 21 July 2008).

In 2002, Saxoo London initiated a CSR project called Lifelines. In the frame of this project, on 8 December, 2002, they conducted a media campaign in their shops in 4 big cities in Hungary by involving celebrities and experts from the field of alcohol and drug prevention. They also supported a traveling exhibition that had a preventive message by 50% of the income of every product sold that day. The program was implemented in a partnership with the Ministry of Children, Youth and Sport (they supported the program with materials and expertise) and civil organizations that conducted the traveling exhibition and gave professional help in the shops. (Drug Coordination Unit, 2008)

Regarding the workplace prevention of drug and alcohol misuse, the picture is similar to the above described outward activities. In spite of the international programs and national initiatives, the actual implementation has been very limited. The first truly significant step was the joining of the regional project of the International Labour Organization (ILO) in 1995. The title of the project was: Mobilizing Enterprises and Workers to prevent Substance Misuse in Central and Eastern Europe. The project ran between 1995 and 1999 in Hungary, Latvia, Romania, Russia, Slovenia and Ukraine. Under the guidance of a tripartite advisory board, assistance was provided to six Hungarian enterprises⁵ and the Hungarian Border Guard, for the introduction of pilot drug and alcohol misuse prevention programs. (ILO, 2000a)

⁵ The six involved companies were: Dunaferr Co. Ltd., Gardénia Lace Curtain Factory, The Air Traffic and Airport Administration (*LRI*), MATÁV Ltd., MOL Ltd. and the Paks Nuclear Power Plant Ltd.

As the next step, the Hungarian government included workplace prevention as an important future direction of the drug-policy in the National strategy to combat the drug problem for 2000-2008. In addition, initiatives such as AmCham's Healthy Workplace Program played a big part in changing the way Hungarian employers treat health issues in general. In 2006, the Ministry of Social Affairs and Labour announced a program in the field entitled "Stay in the green zone". This is an overall program, with the aim of enhancing both primary and secondary prevention of drug and alcohol misuse at workplaces. The program can serve as a foundation for future strategic partnerships in the field as well, because this initiative already effectively involves governmental, non-governmental and business organizations. In addition, the case of Flextronics Computing, which is one of the involved organizations in the program, could serve as good practice for implementation of workplace prevention in the course of a Corporate Social Responsibility strategy.

Flextronics Computing joined the AmCham Healthy Workplace Program in 2003. Their CSR strategy, called FlexPledge, is based on four elements: "Environment, Community Collaboration, Employees, and Ethics and Leadership". Considering the 'Employees' element, Flextronics believes that the "acquired expertise, ability, skills, persistence and health condition together contribute to successful market presence". As a result, they treat the health of their employees strategically. In 2007, they conducted an internal survey, which showed the importance of dealing with the issue of drug and alcohol misuse within the workforce, and not only as primary but as secondary prevention (including the initiation of

Employee Assistance Programs⁶ for those who already are affected by misuse). In 2008, the program reached the end of its initial phase, and, in line with the proposed recommendations of the survey (such as the development of communication campaigns, training, and collaboration with professional institutes), the actual implementation of the program should be initiated. (Papp, 2008)

In 2007, the Drug Coordination Unit of the Ministry of Social Affairs and Labour announced a grant category under which contribution was available for workplace prevention programs as well. Recently, in 2008, as a step further, the Unit ensures 30 million HUF for workplace prevention, but this time as a new independent tendering category. By seeing these promising signs, even if the actual implementation of workplace prevention programs is still extremely low, the possibility of reaching a breakthrough in the following years is fairly high. But for this, the level of collaboration and the amount of the allocated resources should be significantly higher, on the side of all parties involved, be they governmental, non-governmental or business organizations.

⁶ Employee Assistance Programs (EAP): “A programme [...] that offers assistance to workers, and frequently also to their family members, who have problems that affect – or that eventually could affect – job performance.” (ILO, 1996, p. 4.)

4 About CSR

When thinking about the involvement of business organizations in the resolution of social problems such as drug and alcohol misuse, CSR (Corporate Social Responsibility) is the framework that obviously has to be taken into consideration as the notion which covers the social and environmental commitment of the private sector. This section reviews the definition, the evolution and the current understanding of CSR, and it discusses the possible implementation of CSR in the field of drug and alcohol misuse in Hungary.

4.1 *Defining CSR*

There are many expressions which are often used interchangeably, such as ‘corporate social responsibility’; ‘corporate’ or ‘business responsibility’; ‘corporate’ or ‘business citizenship’; ‘community relations’; ‘social responsibility’ (University of Miami, 2008), but to avoid confusion, this paper uses the general and most widely known expression: corporate social responsibility or in short CSR. However, there is still no one universally accepted definition of CSR, and there are at least two definitions which are frequently cited and which include the current principally accepted features of CSR. In the European Union, governmental entities and most multinational companies use the CSR definition of the European Commission:

A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (European Commission, 2001).

At global level, the CSR definition of the World Bank is the one which is frequently used:

Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development. (IFC, 2008)

In addition, scholars, like Archie B. Carroll 1979 or Bloom and Gundlach 2001, and even for-profit advisories, like CSRwire, have created their own CSR definitions⁷. Reviewing the common features of these definitions (including the two cited above), this paper uses the following working concept of Corporate Social Responsibility:

- In the course of their CSR activities, businesses contribute to the minimization of their harm and the maximization of their beneficial impacts on both the society and the environment.
- The society and the environment mean those which can affect or can be affected by the everyday operations of corporations.
- Only fulfilling legal obligations does not mean being ‘socially responsible’.
- CSR should happen on a voluntary basis.
- CSR should be integrated in business strategy and the everyday operations of the companies.
- CSR should cover those areas which are in the focus of the companies’ operational sphere.
- CSR activities should be designed in a way to enhance both the interest of the stakeholders and the interest of the business.

4.2 Evolution of CSR

In the broadest sense, “the history of CSR is almost as long as that of companies” (Henriques, 2003 cited in University of Miami, 2008), as even the ancient Chinese and Egyptians adopted certain rules for their commercial activities to ensure that not only the interest of the trade but also the interest of the wider public were considered (Werther and

⁷ The CSR definition of CSRwire is available from: http://www.csrwire.com/home/23/CSR_General

Chandler, 2006). Later, in the seventeenth century, the possibility of negative effects of the activities of business on the society became more and more obvious. This led to the growth of public concern, and very soon, the raise of social activism⁸. Also from this time, wealthy industrialists started personal or corporate philanthropy, driven either by good intention (e.g. from religious conviction), or as a response to social activism and public compliance (Werther and Chandler, 2006). The notion of CSR, as we use it today, however, originates with executives who had to find the tradeoffs between the interest of the owners of the company (shareholders) and the expectations and basic needs of the society that enables their firm to prosper. In this way, CSR became a tool to ensure the legitimacy of operating in societies, which, if viewing leaders and their firms as not meeting societal needs, could turn to activism and could undermine the very existence of the company (Werther and Chandler, 2006).

According to Lantos, at the beginning of the twentieth century, CSR meant mostly philanthropy and charity as a result of seeking legitimacy from the society and because of the influence of a new generation of scholars, who suggested the application of certain religious principles in business practice⁹ (2001). After World War I, modern corporations in the US engaged more and more in social activities, both for the sake of their own employees and the wider community. In the 1950s, and later in the 1960s and 1970s, as businesses grew rapidly, the idea that corporations have responsibility towards the society and the environment, even if it results in less profit and higher costs, became very popular (Davis, 1983, cited in Lantos, 2001).

⁸ The first large-scale successful consumer boycott happened in the 1790s over slave-harvested sugar, resulted that the importer had to switch to free-labor sources (Arndt, 2003 cited in Werther and Chandler, 2006, p. 11)

⁹ Andrew Carnegie, for instance, devised a twofold statement of corporate social responsibility based on biblical principles, namely the charity principle and the so called stewardship principle (Lantos, 2001).

From this time, the most frequent debates of scholars focused on the very legitimacy of corporate social responsibility. Two scholars represented the two main schools. On one side was Milton Friedman, who questioned the very idea of a socially responsible corporate in his 1962 book, *Capitalism and Freedom*. His frequently cited claim was that “the only social responsibility of corporate executives is to make as much money for their stockholders as possible” (Friedman, 1962, cited in Mitchell, 1986, p. 199). On the other side was R. Edward Freeman, with his famous “Stakeholder theory of the modern corporation”, which broadened the duty of business managers as being not only responsible for serving the interest of the stockholders but that of the stakeholders as well. In Freeman’s words, “stakeholders are those groups who have a stake in or claim on the firm, [including] suppliers, customers, employees, stockholders and the local community, as well as management in its role as agent for these groups” (Freeman, 2005).

Instead of any criticism, however, the implementations of CSR practices and the acceptance of Freeman’s approach were increasing in the developed world. Since the 1970s, more and more business executives have become advocates of responsible business practices and the necessity of social and environmental consciousness of corporations.

4.3 CSR Today

By today, CSR has become an “inescapable priority” for corporations¹⁰ (Porter and Kramer, 2006, p. 1). Let it be a document of the UN, the EU, or a multinational organization, CSR is usually considered in the frame of a multi-stakeholder approach, by using Freeman’s simplified stakeholder definition: a stakeholder is “any group or individual who can affect - or

¹⁰ In the near future, an increase in the commitment of small and medium sized enterprises to CSR is expected, as governments, especially within the EU, have already declared the enhancement of such involvement as high priority (European Commission, 2006).

is affected by - the achievement of the organization's objectives" (SustainAbility and the UNEP, 2001). In order to be able to operate, nowadays corporations have to prove that they (and their suppliers) not only treat their employees fairly and put as much effort as possible in to improving the society as a whole, but they also have to have commitment towards Sustainable Development¹¹.

Today, CSR and Sustainability are inseparable. Most big companies treat CSR as their way of contributing to Sustainable Development, and they even call their yearly CSR related reports Sustainability reports. These reports are becoming so important for corporations that the number of companies publishing the reports has almost tripled since 1993 (KPMG, 2005). The most widely used sustainability reporting framework that "sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance", is the sustainability reporting guidelines of the Global Reporting Initiative (GRI, 2007)¹². This is why by summarizing those fields that are considered sustainability reporting guidelines by GRI, the principally accepted directions of current business CSR can be defined. These are:

- The economic dimension (the organization's impacts on the economic conditions of its stakeholders).
- The environmental dimension (the organization's impacts on living and non-living natural systems).
- The social dimension: (the organization's relationship with their employees, affected communities and the society as a whole. (GRI, 2007)

¹¹ The most frequently quoted definition of sustainable development was presented by the World Commission on Environment and Development (Brundtland Commission) in 1987: "Sustainable development is development which meets the needs of current generations without compromising the ability of future generations to meet their own needs" (UNECE, 2005).

¹² In 2005, 40% of the world's biggest companies used GRI guidelines to select the content of their Corporate Responsibility reports (KPMG, 2005).

Today, CSR is not considered as a necessary cost to answering public expectations or eliminate risk anymore, but as source of opportunity, innovation and competitive advantage (Porter and Kramer, 2006). American companies, for instance, say they embrace CSR not only because it is the right thing to do, but also because it strengthens their brands (Holding, 2007). This expectation and changed attitude of companies is highly understandable, especially if we consider the fact that the public is more conscious about companies' CSR activities, and people consider CSR performance as well when purchasing products. Already in 2006, for instance, the annual Ipsos Mori survey showed that the majority (83%) of the interviewed British customers considered a company's social responsibility as an important factor when they purchased a product or service, and 38% felt strongly about this (Ramrayka, 2006).

National and international governmental, non-governmental and for-profit organizations have started initiatives (such as the United Nations' "Global Compact"¹³ and AccountAbility's "AA1000 standards"¹⁴) and provide services to emphasize and to help for-profit, public and civil organizations to adopt CSR practices into their everyday operations. Business networks (such as CSR Europe¹⁵, or CSR Hungary) have been founded by multinational and national companies with missions like creation of platforms to share best practices; starting new initiatives between companies and their stakeholders; and shaping not only business but also political agenda on sustainability and also competitiveness (CSREurope, 2008).

¹³ "The Global Compact is a framework for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption . As the world's largest, global corporate citizenship initiative, the Global Compact is first and foremost concerned with exhibiting and building the social legitimacy of business and markets." (Global Compact, 2008)

¹⁴ "AA1000 series are principles-based standards that provide the basis for improving the sustainability performance of organisations." (AccountAbility, 2007)

¹⁵ "CSR Europe is [a] leading European business network for corporate social responsibility with around 70 multinational corporations and 25 national partner organisations as members." (CSREurope, 2008)

Nowadays the question is also not the legitimacy of CSR any more, but the aspects of practical implementations of CSR initiatives, issues such as the development of “Good Practices of Stakeholder View” (EABIS, 2007); the possible ways of CSR implementation by SMEs (small and medium-sized enterprises) (UNDP, 2008), and the possible ways to make corporate social responsibility a top management and board issue and implement a strategic approach in CSR activities besides classical philanthropy and charity (EABIS, 2008). In line with the recommendations of renowned scholars such as Elkington, Grayson and Hodges, Willard, Zadek, and more recently, Michael Porter and Mark Kramer, this last issue represents the future direction of CSR that business executives should consider in order to answer the challenges of the twenty-first century (EABIS, 2008).

4.4 Strategic involvement

According to Porter and Kramer, when CSR is looked at strategically, it “can become a source of tremendous social progress, as the business applies its considerable resources, expertise, and insights to activities that benefit society” (2006, p. 1). In contrast with classical philanthropy or charity, however, the aim of strategic CSR is not to allocate at least some resources to as many as possible social issues, but to build “focused, proactive and integrated initiatives in concert with their (the companies’) core strategies [and activities]” to advance both the interest of society and that of business (Porter and Kramer, 2006, p. 13).

This strategic CSR approach is likely to become a high priority of business organizations in the near future, as it is in line with the recommendations of major governmental actors (such as The World Bank and the United Nations Development Program) which see the solution of complex social problems (such as drug and alcohol misuse) in the framework of strategic

partnership among governmental, non-profit and for-profit organizations (Eweje, 2004). The features of a strategic partnership are:

- The focus is on core business or programs of all parties involved.
- The relationship among partners is neither philanthropic, in which business organizations simply donate funds to civil initiatives, nor adversarial based on protests against corporate activities.
- “Strategic partnerships are “win-win” relationships based on mutual gain to partners in areas of their strategic interests.” (Eweje, 2004, p. 4)
- Strategic partnership is thought to create greater benefits than classical philanthropic relationships, not only for the partners, but the society as well. This is because of the focus on core business and programs, which is thought to result in significant investment of resources in the resolution of issues. (Eweje,2004)

4.5 CSR in Hungary

Like in other post-socialist countries, CSR is a relatively new phenomenon in Hungary, which had a socialist economic system during the period 1948 – 1989. Under this era, the state and the large state-owned companies together provided social services. After the 1989 transition, privatization and the new economic agenda resulted in ‘wild capitalism’, giving excessive importance to pursuing profit maximization. As a result, there has been little trust in company leaders and companies in general, which is an obstacle for the spread of CSR in Hungary. In recent years, however, as a result of the implementation of CSR approaches of multinational companies’ by their Hungarian affiliates, projects funded by the

European Union¹⁶, and the increasing consciousness of consumers, CSR has got in the focus of large and medium sized companies. In 2006, for instance, around 14 conferences were held on the topic. (UNDP, 2008)

In spite of the promising signs, however, there is still a lot to improve. According to the 2007 Baseline Study on Corporate Social Responsibility Practices of the UNDP, CSR is still not an integral part of the business strategy in Hungary (except a few good examples), but it is treated mostly either as a public burden or merely as a PR tool in the form of ad hoc charity and classical philanthropy (2008). This phenomenon has obviously a complex background, but two reasons are worth highlighting:

- First, most of the business and social society actors are not sufficiently aware of the role companies (especially together with governmental and non-governmental actors) could play in achieving environmental and social goals, while at the same time remaining profitable (UNDP, 2008). The fact that many Hungarian companies consider CSR as an expensive and profit reducing activity can serve as evidence of this claim (UNDP, 2007).
- Second, the Hungarian public strongly expects from companies to contribute even to basic governmental welfare activities in order to correct state failures, resulting in that business organizations allocate resources in activities which have little to do with their core business directions. The reasons of this expectation is the earlier mentioned socialist heritage, namely that the state and the large state-owned companies, together provided social services between 1948 - 1989, and that there are whole areas (like the

¹⁶ Such as the current regional CSR project entitled: “Accelerating CSR practices in the new EU member states and candidate countries as vehicle for harmonization, competitiveness and social cohesion in the EU.” (UNDP, 2007)

state owned public health system) in which governments failed to reach developments or even provide basic services, as a result of lack of resources. (Hardi, 2007)

Opinions are divided on the different factors that could improve CSR in Hungary (such as tax incentives or improved recognition by business partners and consumers) (World Bank, 2006), but there is a fair agreement that the development of the civil society and the formations of democratic dialogue among business and social actors are necessary to create the pre-conditions (UNDP, 2008). In addition, executives in Hungary should understand that in a globalizing world firms can only maximize shareholder value if constructing core business strategies that address the needs of key stakeholders, by using CSR, driven by multi-stakeholder approach (Werther and Chandler, 2006). As soon as business organizations in Hungary apply this strategic CSR approach, they can analyze their total environment and formulate the most appropriate business strategy, which not only protects the organization and its assets, but also offers a “point of competitive differentiation” (Werther and Chandler, 2006, p. 61).

5 Empirical findings

5.1 *The first results*

As it was mentioned in the introduction, the reason for starting this research was the realization that in Hungary there is very limited data about the actual business CSR activities in the field of drug and alcohol misuse prevention or the attitudes of business organizations toward this issue. Therefore, at this point the aim of the research was to fill this information gap and, on the one hand, to investigate whether in Hungary prevention programs addressing drug and alcohol misuse are actually avoided by business organizations when planning their CSR activities, and on the other hand, if that is true, to investigate the reasons of this avoidance. The result of a conversation with the Head of the Drug Coordination Unit of the Ministry of Social Affairs and Labour, Hungary, however, broadened the scope of the research.

This conversation and the written standpoint of the Unit¹⁷, not only confirmed the above supposition that business CSR is not (or only at limited scale) present in the field of drug and alcohol misuse prevention in Hungary, but emphasized that such business involvement would be highly desirable in the field. The basic recommendation of the Unit, namely, that the solution of a complex social problem (such as the problem of alcohol and drug misuse) requires that “all segments of the society [] join forces for the sake of resolution” (Appendix I), further broadened the scope of the investigation.

¹⁷ The English language summary of this document can be found under Appendix I.

5.2 Interview outcomes

From this point, the aim of the research was not only to find the reasons of this avoidance, but also to collect the recommendations of representatives of business, governmental and civil organizations to build strategic partnership in the field of drug and alcohol prevention, as this form of collaboration is considered by major governmental actors (such as The World Bank and the United Nations Development Program), as the most advanced framework for solving complex social problems (Eweje, 2004).

The first interesting aspect of the interviews was the differences in the way respondents thought about the marriage of the two main elements of the topic, CSR and drug and alcohol misuse prevention. There were two extremes. First, there were those who considered mostly the outward, financial and material support based CSR activities of business organizations (such as classical philanthropy, charity or the strategic support of prevention projects). These respondents were coming from for-profit organizations and CSR background. Secondly, there were those who concentrated mostly on the inward, direct implementation of prevention programs by business organizations, namely the workplace prevention of drug and alcohol misuse. These respondents were coming from public service organizations and/or having background in the fight against drug and alcohol misuse (such a medical specialist in addiction).

These observations led to the first, unexpected, outcome. Those who were in charge of CSR activities at business organizations considered mostly outward, support-based projects when thinking about CSR involvement in the fight against drug and alcohol misuse, and they did not even mention workplace prevention. At the same time, those who had a background in the

field of drugs and alcohol, especially if this entailed involvement in the work of governmental institutions, considered mostly workplace prevention.

This basic difference in the understanding of the direction of business involvement in the fight against alcohol and drug misuse does not mean, however, that the responses had to be treated as answering totally different issues. Instead, not only did all of the interviewees draw very similar opinions and recommendations irrespective of their understanding about the possible connection between CSR and the drug and alcohol issue, but also 3 out of the 7 respondents considered workplace prevention programs as first step toward strategic partnership in the field. Keeping this characteristic of the background of the answers in mind, the summary of the interview results are the following:

For the first question: **“Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?”**, the interviewees responded unanimously with a yes, irrespectively of thinking about workplace prevention or outward CSR activities. According to the respondents, business organizations in Hungary generally avoid every possible involvement in any project which is connected to the issue of drug and alcohol misuse. One responder also pointed out that his experience is that even “those companies who are directly involved in the issue (such as the alcohol, tobacco or pharmaceutical industry) avoid such programs, and even if they sponsor such initiatives, they do it quietly and as a way of securing themselves from possible slander” (Appendix VI). As an interesting aspect, from the KPMG interview it seems that the issue of drug and alcohol misuse is possibly rarely considered by business organizations at global level as well, because even the biggest corporate actors of the world do not differentiate this issue in their Corporate Responsibility or sustainability reports (Appendix VII).

The second question was: **If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?**

According to the responders, generally the following aspects result in the avoidance of CSR involvement in drug and alcohol prevention programs:

- Business organizations do not want a connection between their brands and this issue because of the low public acceptance of alcoholics and drug-users.
- This is a most complex social issue, in which there is no widely accepted solution. In addition, the public opinion is divided, as a “considerable part of the public blames the drug addicts themselves for their problems” (Appendix VII). These characteristics can turn companies from the issue away, as either being afraid of losing their reputation and image or simply choosing more “clear and simple issues e.g. buying hospital equipments to treat sick children” (Appendix VII).
- “Business leaders have no or limited knowledge [either] about the background (legal, demographic, psychological etc.) of the problem” (Appendix III), or about the possible benefits of allocating resources in the fight against drug and alcohol misuse, and they are especially “not aware of the possibility of strategic CSR involvement in this field” (Appendix III).
- The problem originates from the current structural defectiveness of CSR, namely, that the current mentality and structure of the organizations involved (business organizations, governmental and non-governmental organizations) do not fit to the post-modern society and can not answer its challenges adequately.

In addition, several factors were pointed out to explain particularly the lack of workplace drug and alcohol prevention by business organizations. These were the following:

- Business executives do not consider drinking a real problem, or not aware that drug and alcohol misuse is present at most of the workplaces in Hungary. This is especially true in the case of drug misuse, because the number of affected people is generally low, and the symptoms are hard to recognize or require costly screening techniques.
- Employers are seen as “interchangeable” (Appendix IV), and the problem is believed to be treated well by firing of those who come drunk to work.
- “Executives have not understood yet that even if drinking is mostly not happening at the workplace, it directly affects their companies in a negative way” (Appendix IV).
- Companies see only additional cost when thinking about workplace prevention.
- Executives are not aware of the possible actions they can apply, and the legal background of the issue.

The third question was looking for recommendations to enhance cooperation among actors in the field. The question was: **What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?**

As mentioned earlier, 3 out of the 7 respondents considered workplace prevention programs, as the first step toward such partnership, since it is thought that changes which are necessary for wide-range acceptance of workplace prevention by business organizations would probably already demolish many obstacles and create proper environment for other CSR involvements in the field. Summarizing the answers, the following were recommended:

- “There are significant opportunities in such co-operations, [but for this, all actors should] consider these projects in the frame of a strategic partnership and not only as some kind of public burden or simple charity” (Appendix VII).

- In order to build a foundation for such partnership, business leaders have to understand that it is in their companies' and their own personal interest to get involved in the fight against drug and alcohol misuse.
- To reach business executives, political commitment, and overall political programs are necessary.
- These political programs have to be built on "properly conducted research projects addressing topics such as previous initiatives in the field and their outcomes, the state of the current institutional background (civil society, governmental institutions, for-profit organizations, and the institutional resources of the companies), and a better understanding of the companies' attitudes" (Appendix II).
- The creation of strong CSR positions within public service organizations (such as the Ministry of Social Affairs and Labour and the Ministry of Health) would be important.
- A strategic platform should be created, in which the civil sector and the government should communicate towards business executives of both the Hungarian affiliates and the headquarters, the following messages:
 - Drug and alcohol misuse is a realistic threat for companies "in Hungary, as the number of alcohol and sedative users is still outstanding within the working community" and even at the highest levels (Appendix III).
 - The presence of the issue can directly and indirectly affects their business performance in a negative sense in the form of significant additional costs (e.g. replacing the workers or paying the cost of sick-leave), decreased effectiveness and increased faults.
 - In order to understand the legal background of the issue and to get help for implementation of such prevention programs, national and international frameworks and guidelines are available (such as that of the International Labor Organization or the joint programs of the Hungarian public institutions), as are best practices.

- Governmental organizations and the politicians should stand for the problem and launch overall communication campaigns together with the civil society in order to change the current “refusal public environment” (Appendix VIII).
- The government could also help with different measurements, either by using incentives to persuade companies to start workplace prevention programs, or introducing legal frameworks in order to oblige companies for certain employee assistance programs.
- Involvement of outside advisors who can translate the expectations of the society in business language is necessary.
- Business organizations should widen their current CSR activities (mostly ad hoc philanthropy and charity) and turn to strategic initiatives as well, which are based on their core business strategies and activities. With the words of one respondent: “I believe that companies can strategically undertake even sensitive issues, if they find the proper combination of brands and target groups” (Appendix V). “As a way of example, sport equipment producers could gain direct and indirect benefits from supporting governmental and civil projects which aim to protect the youth from alcohol and drug misuse and emphasize sport as a life-style and leisure” (Appendix III).

5.3 Short analysis of the results

In short, the representatives of business, governmental and civil organizations believe that business organizations in Hungary generally avoid every possible involvement in the issue of drug and alcohol misuse in the frame of their CSR activities. According to these respondents, the reasons of this avoidance is the low public support of the issue, the limited knowledge of business leaders about the way it affects their interest and about the possible

ways of business involvements in the field, and finally, the lack of strategic consideration of employees and the society as general by most of the business organizations in Hungary.

The interview had an unexpected outcome as well. Those who were in charge of CSR activities in business organizations considered mostly outward, support-based projects when thinking about CSR involvement in the fight against drug and alcohol misuse, and they did not even mention workplace prevention. At the same time, those who had a background in the field of drugs and alcohol, especially if this entailed involvement in the work of governmental institutions, considered mostly workplace prevention. This result not only supports the claim that business organizations have limited knowledge about the possible ways of their involvement in the field, but it also points out the same lack of information in the public sector as well. In addition, this outcome makes it clear that advanced collaboration among governmental, non-governmental and business organizations is crucial for building a common understanding as well.

Considering those factors that could lead to fruitful strategic partnership in the field as the most advanced form of cooperation among business, governmental and non-governmental organizations, the respondents agreed that political commitment towards the issue and overall programs initiated by the government is necessary. According to the interviewees, these programs should be built on properly conducted research projects and the involvement of CSR experts, and they should cover communication campaigns towards the business executives and the society. Governmental incentives are also recommended, to enhance business involvement in social and environmental projects. From the side of the business organizations, a change in the current CSR approach is expected, to strategically consider the health of their own employees and the state of the society when planning their CSR activities.

6 Conclusions and recommendations

6.1 Conclusions

CSR (Corporate Social Responsibility) is the notion that covers the social and environmental commitment of the private sector. As the first result of this research shows, even if CSR is improving in Hungary, business organizations rarely address initiatives in the field of drug and alcohol misuse prevention because they directly avoid the issue. The research also shows that the involvement of business CSR in this field would be “highly desirable” (Appendix I), not only because today CSR with a multi-stakeholder approach¹⁸ is considered as “inescapable priority” for corporations (Porter and Kramer, 2006, p. 1), but also because the solution of complex social problems like drug and alcohol misuse requires the contribution of all spheres of the society, including the private sector as well (Drug Coordination Unit, 2008).

The results of this research show that the biggest obstacles of the extension of CSR to drug and alcohol prevention in Hungary are the low public support of the issue, the limited knowledge of business leaders about the way it affects their interest and about the possible ways of business involvements in the field, and finally, the lack of strategic consideration of employees and the society as key stakeholders by most business organizations. The research has also pointed out the basic differences among business, governmental and non-governmental representatives in the understanding of the possible directions of business involvement in the fight against alcohol and drug misuse. Those who were in charge of CSR activities at business organizations considered mostly outward, support-based projects (such

¹⁸ Be it a document of the UN or the EU, or a for-profit organization, CSR is considered in the frame of a stakeholder approach, by using Freeman’s simplified stakeholder definition: stakeholder is “any group or individual who can affect - or is affected by - the achievement of the organization’s objectives” (SustainAbility and the UNEP, 2001).

as charity, classical philanthropy or the strategic support of particular projects) when thinking about CSR involvement in the fight against drug and alcohol misuse, and they did not even mention workplace prevention. At the same time, those who had a background in the field of drugs and alcohol, especially if this entailed involvement in the work of governmental institutions, considered mostly workplace prevention. This result makes it clear that an advanced collaboration among governmental, non-governmental and business organization and information exchange within such collaboration is crucial in the field.

In line with recommendations of the United Nations Declaration on the Guiding Principles of Drug Demand Reduction, and some major governmental organizations, such as The World Bank and the United Nations Development Program, strategic partnership is the most advanced and successful form of collaboration for solving complex social problems (Eweje, 2004), such as the issue of drug and alcohol misuse (Drug Coordination Unit, 2008). In order to build a long-term strategic partnership among business, governmental and non-governmental organizations in the field of drug and alcohol misuse prevention, the following factors and changes are necessary.

From the side of the government, political commitment, and overall political programs are necessary. Governmental organizations and the politicians (parties and individuals) should stand for the issue and launch overall communication campaigns together with the civil society in order to change the current “refusal public environment” (Appendix VIII) and to persuade business executives that it is in their companies interest to start workplace prevention programs. These campaigns should also communicate that drug and alcohol misuse is a serious issue in Hungary, and “the numbers of alcohol and sedative users are still

outstanding within the working community” (Appendix III), resulting in a wide range of negative consequences¹⁹.

Political commitment should also be realized in an increase in the allocated resources and power for governmental institutions like the Drug Coordination Unit of the Ministry of Social Affairs and Labour. The Unit should be the engine of the above-mentioned strategic partnership because among their tasks are: “Promotion of research and training programs; Enhancement of inter-institutional professional cooperation; Coordination of the prevention activities; Ensuring the framework of the representation of and the collaboration with the civil organizations; Communication and form of public attitude” (Drug Coordination Unit, 2008, p. 5 - 6). To improve the common understanding with the business sector in general and their CSR activities in particular, the employment of CSR specialists and the involvement of professional advisories in the drug policy field is highly recommended.

The government should promote the general implementation of CSR as well. To reach this, a broadening of the current incentive systems (including tax brakes or special CSR awards), and the change of legal frameworks (such as the current media law, which employs strict regulations on the broadcast of CSR projects as considering them simple advertisements) is necessary (UNDP, 2008). In addition the government, together with the media, should raise the awareness of consumers and the society on social and environmental issues because “companies are expected to become responsible if that is what their stakeholders want” (UNDP, 2008).

¹⁹ Negative consequences are discussed in Section 3.2.

From the side of the business organizations, a change in the current CSR approach is necessary. In line with the multi-stakeholder approach, executives in Hungary should understand that in a globalizing world firms can only maximize shareholder value if they construct core business strategies that address the needs of key stakeholders (including suppliers, customers, employees, stockholders the local community etc.), by using CSR techniques (Werther and Chandler, 2006). As soon as business organizations in Hungary apply this strategic CSR approach, they can analyze their total environment and formulate the most appropriate business strategy, which not only protects the organization and its assets, but also offers a “point of competitive differentiation” (Werther and Chandler, 2006, p. 61).

6.2 Framework for practical implementations

As a first step, this paper recommends the strategic contribution to the health of the workforce by all forms of business organization. By implementing primary and secondary workplace prevention programs addressing drug and alcohol misuse (in the form of Employee Assistance Programs), companies can eliminate or at least reduce the negative consequences of such misuse and improve the productivity of their employers. These negative consequences can affect all forms of employers, resulting in “increased absenteeism”, “deterioration in job performance”, “increased accidents”, “increased training and recruitment costs” etc. (ILO, 1996, p. 26). This thesis introduces the case of Flextronics Computing as good practice for the implementation of workplace prevention in the course of a Corporate Social Responsibility strategy. Flextronics Computing started the implementation of workplace drug and alcohol misuse prevention programs because they treat the health of their employees as part of the CSR strategy. In their words, “acquired expertise, ability, skills, persistence and health condition together contribute to successful market presence” (Papp, 2008). The case of Flextronics is not only a good example for a strategic approach towards the health of the

workforce in the frame of CSR, but also a good practice for strategic collaboration with social actors, as they are a member of the program of the Ministry of Social Affairs and Labour entitled “Stay in the green zone”²⁰. In addition, according to the Drug Coordination Unit of the Ministry of Social Affairs and Labour, the initiation of workplace prevention programs offers an excellent opportunity to reach the long term commitment of companies to the issue of drug and alcohol misuse prevention as well. Companies from all industries can ‘adopt’ and sponsor their cooperative NGO partner in the frame of their CSR activities (Appendix I).

As a further step, particular industries can strategically undertake the issue of drug and alcohol misuse prevention in the frame of their CSR activities, addressing not only their own workforce but other stakeholders as well. According to the research, this is especially true if these activities take part in the form of strategic partnership among business, governmental and non-governmental organizations. Such contribution would not only help to reduce drug and alcohol misuse in general, but also would mean direct advantages for all parties involved. This paper introduces the case of Magyar Telekom’s (the main land-line telecommunications provider and market leader in the Hungarian information and telecommunication sector) support of NGOs that provide free help-lines for those who want anonymous help in drug issues, as good practice in the field of such a strategic involvement.

There could have many other industries that could strategically undertake the issue in the frame of their CSR activities as well and this depends mostly on the creativity and the commitment of business executives. Two possible examples could be the following. First, sport equipment producers could gain a competitive advantage from supporting the prevention of drug and alcohol misuse and, at the same time, advocate sport as healthy

²⁰ This is an overall program with the aim of enhancing both primary and secondary prevention of drug and alcohol misuse at workplaces.

alternative (Appendix III). Second, audit and financial advisory service providers could help non-profit actors to build transparent, accountable and prosperous organizations and a highly developed civil sphere, which is not only considered as one of the basic pre-conditions for advanced collaborations (UNDP, 2008), but it is also believed to create a new market niche for the involved service provider itself (Appendix VII).

6.3 Concluding remarks

In spite of the above-listed obstacles, there are promising signs that an increasing number of business organizations will consider drug and alcohol misuse prevention as part of their CSR strategies in the following years. The recent shift in the commitment of governmental actors (represented by a new tendering category enhancing the implementation of workplace prevention programs and the “Stay in the green zone” program of the Ministry of Social Affairs and Labour), and the positive change in some of the business organizations’ attitude toward the issue of CSR in general and the health of their stakeholders in particular are very promising. But to reach a breakthrough, business, governmental and non-governmental organizations have to collaborate at an advanced level, and as a first step to this, they have to reach a common understanding of the issue of the possible involvement of business organizations in the fight against drug and alcohol misuse.

Appendix I

Summary of the Development Proposal of the Drug Coordination Unit of the Ministry of Social Affairs and Labour, Hungary

Is it important in Hungary to have business organizations involved in the fight against drug and alcohol misuse? If yes, why?

In Hungary, there seems to be an agreement in the importance of treating the problem of drugs, however, it seems that it is not an issue that a wide range of actors of the society can join (especially not business actors). Therefore, the available resources to solve this complex social problem are not proportionate with the social damages. As we suppose that the problem is complex, the solution has to be complex as well, that is, all segments of the society have to join forces for the sake of resolution.

What does this mean? Strictly on financial grounds, three segments can be distinguished: The state, which reallocates the money of the tax-payers, the non-profit organizations, and the for-profit business organizations. In the case of the fight against drug and alcohol misuse, the involvement of the business organizations would significantly increase the resources that could be allocated for the field. But this is a very hard and slow process, which requires special expertise.

Are prevention programs addressing legal and illegal drug usage avoided by business organizations in the course of their CSR activities?

In Hungary the actors of the for-profit sphere are not, or only to a limited extent, present in this field.

If, yes, according to the Drug-coordination Division, what factors could change the current situation in order to involve business organizations in drug and alcohol misuse prevention?

The initiation of workplace prevention programs offers an excellent opportunity for committing companies to the whole issue. In other words, the extra benefit of complex workplace prevention programs is the long term commitment of a company to the issue. The company can “adopt” and sponsor its cooperative NGO partner.

In addition, the following actions are recommended:

- Establishment of an inter-governmental dual level (operative and executive level) work team.
- Employment of CSR specialists in the drug policy field.
- Reaching the commitment of well-known experts and other famous personalities to the issue.
- Conducting a complex communication campaign, based on the Hungarian Strategy....
- Increasing the allocated sources.
- Helping non-profit organizations' development in the field with publications and training.

Appendix II

Minutes on the interview with Ákos Topolánszky, Deputy Director of the National Institute for Drug Prevention, Hungary

Date: June 08, 2008.

Place: National Institute for Drug Prevention. Address: H-1134, Budapest,
Tüzér u. 33-35

Responder(s): **Ákos Topolánszky,**
Deputy Director

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, most of the companies in Hungary avoid the issue of drug and alcohol misuse and not only in the course of their CSR activities but in general as well.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Companies usually stay away from those issues, which deal with negative social attitudes and also have low public acceptance. Drug and alcohol misuse has both of these characteristics. Surveys show that the public opinion about drug-users is lowest, and the acceptance of alcoholics is the second lowest when people are asked about prevention programs. It is important to mention that these surveys do not differentiate properly among the frequency of drug usage or the various substances, which in itself enhances the false stereotypes about the drug users and so result in inaccurate figures. In the case of alcohol however, this differentiation is properly done, and the result is that only alcoholics fall under this negative consideration / or judgment.

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

As a first step, all actors should collaborate in order to achieve a wide-range implementation of workplace prevention programs addressing health issues in general, and drug and alcohol misuse in particular. Up to this day, a breakthrough has not happened in this field. It is a fact that legal and illegal drug usage and their consequences are present at workplaces in Hungary (especially the usage of sedatives and alcohol), and probably affect the efficiency of companies significantly. In spite of the fact that workplace prevention programs could provide both direct and indirect benefits for the companies (just think of the cost of the replacement of a cocaine addict or alcoholic executive, or the damage that he/she

can do), companies in Hungary do not implement prevention activities. And this is true even for those multinational companies who have already implemented such programs at their headquarters or affiliates in other countries.

A basis for collaboration in the field of workplace prevention should be properly conducted research projects addressing topics such as previous initiatives in the field and their outcomes, the state of the current institutional background (civil society, governmental institutions, for-profit organizations, and the institutional resources of the companies), and a better understanding of the companies' attitudes. Based on the results of these projects, the government can implement a harder or a softer approach.

As a harder approach, the government can use restrictions, allowing only those companies to operate which implement certain regulations in the field of workplace health development. A softer approach could be based on incentives in order to stimulate non-profit, governmental and for-profit professional institutions to work together with companies in this field. Of course, the attitude of the business organizations must change as well. Promoting this change, governmental organizations and state-owned companies should act as role models by implementing legal and illegal drug prevention practices. I think for real success, political commitment, and overall political programs would be necessary as well, which could involve governmental, non-governmental and for-profit organizations, and could attract the media's attention. Media coverage is crucial, not only to propagate workplace prevention (e.g. by showing best practices), but also to change public opinion about alcoholics and drug users.

As soon as the public opinion changes for better, I can imagine that companies go on and consider the issue of drug and alcohol misuse when planning their CSR activities. In this process, the civil society and governmental organizations have a significant role, namely to point out the direct and indirect advantages of such involvement.

Appendix III

Minutes on the interview with Sándor Lakatos, CSR Director, Ministry of Economy and Transport, Hungary

Date: June 10, 2008.

Place: Ministry of Economy and Transport. Address: H-1055, Budapest, Szemere u. 6.

Respondent(s): **Sándor Lakatos,**
CSR Director
Ministry of Economy and Transport Hungary

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, there are at least two complex social problems that are treated almost as taboo by companies in Hungary: The Roma issue and the issue of legal and illegal drugs.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Most of the companies have no or limited knowledge about the background (legal, demographic, psychological etc.) of the problem, which can frighten them away from every kind of related initiatives or can lead to their negligence. In addition, business leaders have no or limited knowledge about the possible benefits of allocating resources in the fight against drug and alcohol misuse, and they are especially not aware of the possibility of strategic CSR involvement in this field.

The opinion of the public on the subject is highly divided, and the acceptance of the drug-users is extremely low, which does not make the topic attractive for companies. They are either afraid of losing their reputation and image or simply choose more fruitful topics.

What factors could lead to fruitful strategic partnership in the drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

In order to build a foundation for such partnership, business leaders have to understand that it is in their companies' own interest to get involved in the fight against drug and alcohol misuse. The civil sector and the government should communicate towards these decision-makers the message that the usage of legal and illegal narcotics by their workforce affects directly their business performance in a negative sense, which is a real threat in Hungary, as the number of alcohol and sedative users are still outstanding within the working community.

It is also important to communicate that the international professional community have already constructed useful frameworks and guidelines, such as that of the ILO (International Labor Organization). Fortunately, this process has already been started in Hungary. However, for strategic partnership I consider workplace alcohol and drug prevention “only” as a first step.

In addition, many of the business organization could directly benefit if turning to the wider community, especially in the frame of a strategic partnership. For this, they should change their current CSR approaches, by moving away from ad hoc philanthropy and charity to strategic initiatives which are based on their core business strategies and activities. As a way of example, sport equipment producers could gain direct and indirect benefits from supporting governmental and civil projects which aim to protect the youth from alcohol and drug misuse and emphasize sport as a life-style and leisure.

The government’s role, beyond the creation of the system of incentives, is to serve as a bridge between the for-profit and the non-profit organizations, especially because even the current capacities of the civil sector are not at all fully exploited. As there is a huge opportunity in the creation of a strategic partnership addressing complex social problems, it would be important to create strong CSR positions within other ministries as well, such as the Ministry of Social Affairs and Labour or the Ministry of Health.

Appendix IV

Minutes on the interview with Dr. István Cserne, psychiatrist, and expert of the program entitled “Mobilizing Enterprises and Workers to Prevent Substance Misuse in Central and Eastern Europe”²¹

Date: 03, July, 2008.

Place: Cserne and Co. Address: H-1023, Budapest, Török u. 10

Responder(s): **Dr. István Cserne,**
Psychiatrist

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, companies in Hungary are totally indifferent, uninterested in such prevention programs, even if it is a fact that the problem of drug and alcohol misuse (especially alcohol) exists within the workforce.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

In the case of alcohol, one of the reasons of this avoidance is that executives do not consider drinking a real problem. At many companies, the approach toward the work force is that people are interchangeable. These companies do not put effort in prevention or early treatment. If someone breaks the internal rules and arrives drunk to work, the accepted procedure is to fire him/her which, also thought of as having a preventive message to the others. These executives have not understood yet that even if drinking is mostly not happening at the workplace, it directly affects their companies in a negative way.

On the other hand, even if the number of companies who make efforts to provide health-improving programs is increasing, it is important to mention that their motivation is many times tax-reduction. A good example for this attitude is the introduction of the so called “Cafeteria” systems by companies. Cafeteria systems allow companies to reduce their tax costs by supporting health-related initiatives. But because the service providers have not recognized the advantages of including drug and alcohol related programs in their packages yet, again, these health-related projects at business organizations do not cover drug and alcohol misuse prevention.

²¹ This is a joint program of the Hungarian Ministry of Social Affairs and Labour, the Employment Bureau and the International Labor Organization, addressing workplace drug and alcohol prevention.

In addition, business organizations are not aware of the possible actions they can apply in the field of alcohol and drug misuse, and they are afraid of getting involved in projects which they think mean only additional costs. So the lack of information is also a reason for the avoidance of drug and alcohol issues at companies.

It is important to note that so far even the profession of addictologists in Hungary does not concentrate on prevention enough, but mostly on the serious cases.

In the case of drugs, the proportion of the problematic users is much lower. Because of the low visibility, companies do not feel the problem at all. Even if they would consider initiatives in the field of drug prevention, the presumed costs of these projects frighten them away. The drug issue has another problematic element from the perspective of companies. That is the legal background of the issue, which makes it far too complicated for companies and leads again to avoidance.

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

I believe that political commitment, and overall political programs are necessary for success. These programs have to use communication techniques in a way to enhance the reputation of those companies who introduce workplace prevention. In short, the introductions of good practices in the course of carefully organized marketing campaigns are crucial.

It is also important to communicate towards the business organizations and the public that drug and alcohol misuse means significant additional costs for the companies and the society as well. Among others, the company not only has to pay the social insurance, but also the first month of the sick-leave, the salary of the substitute, the headhunter, and, even before the visibility of the real problem, the negative concomitants of increased stress (such as decreased effectiveness or increased number of faulty products).

Communication campaigns have to address the business executives' way of thinking as well, in order to accept the fact that alcoholics and drug-users are not only those of homeless junkies, but average workers as well, and they can be found even at the highest levels (e.g. alcoholic or cocaine addict executives). After realizing that in Hungary alcohol or drug misuse is present in most of the companies, prevention programs have to concentrate on the sustainability of the healthy (and productive) state of the workforce, which requires a different attitude of business executives. This attitude thinks about prevention as long term investment in the employees.

The government could also help with different measurements, either by using incentives to persuade companies to start workplace prevention programs, or by introducing legal frameworks in order to oblige companies for certain employee assistance programs.

Appendix V

Minutes on the interview with Róbert Braun, Executive Director, Braun&Partners Network, Hungary

Date: May 28, 2008.

Place: Braun&Partners Office Building. Address: H-1022, Budapest,
Törökvész u. 6/A

Respondent(s): **Róbert Braun,**
Executive Director
Braun&Partners Network

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, the issue of drug and alcohol misuse is generally avoided by business organizations when planning their CSR activities.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

I believe that this issue properly points out the structural problem of CSR in the twenty-first century, namely, that the current mentality and structure of the organizations of the society (business organizations, governmental and non-governmental organizations) do not fit to our post-modern society.

The duality of the society and the economy came to its end. The company is not a transmission-belt between the owners and the consumers anymore, but the most influential actor of a complex social matrix. CSR is a sign that companies are conscious of this structural change, the management of this situation along the previous and newly emerged objectives of companies. But, as long as the society is post-modern (with features like the desire of democratic political culture, mass-media communication and value-relativity), corporations are still following a seventeen century mentality, which is reflected in their operation and organizational structure as well (the features are: the lack of democracy, the lack of communication, and value-absolutism). And the situation of the other two actors of this complex social matrix is not better as well.

Governmental organizations still follow a kind of nineteen century attitude, by structuring strategies and giving orders along their values; however, their role would rather be the creation of productive discourses. NGOs are stuck in an early twentieth century liberal, emancipative mindset. They are usually not aware of entire contexts, and use liberal ideologies as argumentations. In this way, even if their operation and organizational structure

are driven by democratic values, they perform weakly in the field of communication and they lack value-relativity.

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

First, all of the actors of the earlier mentioned complex social matrix should recognize the gap between them and the society and should work hard to get to the post-modern era. And in this process they need each other's help because one by one they still feel pretty well. They all have a lot to improve in the field of democracy, communication and value-relativity.

Second, in order to build strategic partnership, which is essential in the post-modern society, outside advisors are necessary. They are able to translate the expectations of the society in business language, and they can help in the facilitation of an evolutionary process. Advisors are also important to help to overcome the generational detriment of CEOs, as most of them graduated and gained their business experiences in a previous era.

And finally, companies have to move away from their defensive CSR approach, and address mostly those stakeholders who can be beneficial for their core businesses. I believe that companies can strategically undertake even sensitive issues, if they find the proper combination of brands and target groups. A good example is the case of Dolce&Gabbana and the issue of homosexuality.

Appendix VI

Minutes on the interview with Károly Gerendai, Managing Director, Sziget Cultural Management, Hungary

Date: June 16, 2008.

Place: Sziget Cultural Management. Address: H-1033, Budapest, Óbudai Island, Május 9 park.

Responder(s): **Károly Gerendai,**
Managing Director

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, according to my experience that is true. Sziget Cultural Management has been running a project called “Addictions’ day” since 1999, with the aim of changing the negative opinion of the public about addicts. The project deals with every kind of addiction in order to point out that addiction has to be treated as an illness and drug addicts are victims of an illness. The aim is to create understanding and openness in the public which could result in that more addicts can realize their problem and ask for help.

Since the first year of the project, it has always been very hard to get help from business organizations. Although they understood the importance of the project, they did not want to relate their brands with the negative image of the issue of drug and alcohol misuse. Alcohol and tobacco companies have also stayed away from sponsoring the project, because they did not want their brand to be mentioned as a possible risk rather than a kind of pleasure or relaxation.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

As I mentioned earlier, companies do not want any connection between their brands and the drug issue. Those companies who are directly involved in the issue (such as the alcohol, tobacco or pharmaceutical industry) try to avoid the image of risk or danger, and even if they sponsor such programs they do it quietly and as a way of securing themselves from possible slander. Other companies, on the other hand, do not want a connection between their brands and the issue because of its negative public acceptance and the possible association of ideas (e.g. a chocolate-bar producer supports such programs, but the public remembers only the drug part, and this result in a rumor that they sell chocolate-bars which contain drugs).

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

The persuasion of business executives is one of the hardest and most crucial tasks. One way to do this is to reveal positive examples from the global and Hungarian perspectives, supported by figures and public opinion polls. Governmental and civil organizations, however, have to understand that it is not enough to reach the executives of the Hungarian affiliated companies of multinational corporations with the message because the decisions on CSR and branding policies are many times made in the headquarters. Even if the support of prevention programs in Hungary could be strategically important for the brand (e.g. in the case of a sport equipment producer who can win new customers through prevention programs), there could be an order from above which would undermine their actual involvement. The other way is to communicate the advantages of starting and facilitating workplace prevention programs.

In the meantime, the most realistic motivation of business organizations which can result the involvement of such a partnership is the personal commitment of some of the business executives toward the issue (e.g. his/her family is affected), but this could hardly result in a wide-range change in CSR attitude.

Appendix VII

Minutes on the interview with the representatives of KPMG Hungary

Date: April 16, 2008.

Place: KPMG Office Building. Address: H-1139, Budapest, Váci u. 99.

Respondent(s): **Tamás Hegedűs**
Manager
Business Advisory Services

István Szabó
Advisor
Business Advisory Services

Conducted by: Gergely Radácsi

Questions and answers:

What is the approach of KPMG Hungary towards Corporate Responsibility?

The global network of KPMG makes more and more efforts to enhance its CR activity and especially its commitment to sustainable development on global as well as on local level. It has two dimensions: CR within KPMG and CR related services. The CR strategy of KPMG Hungary is built on 3 pillars, namely Community, Employment and Environment. KPMG is committed to the fight against climate change and has just introduced the Global Green Initiative with the following 3 ambitions:

- Reduce its combined member firms' carbon footprint by 25 percent by the year 2010 from a 2007 baseline by reducing emissions and using renewable energy;
- Support environmental projects to help address the challenges of climate change within its wider commitment to its communities; and
- Work with its member firms' employees to work towards reducing their own impact by at least 10 percent by 2010, and with their suppliers and clients to help them measure, report, and improve their impact on the climate.

The scope of the Global Green Initiative is focused on the reduction of direct and indirect emission coming from usage of office buildings and business travels.

KPMG Hungary joined the Green Office Contest initiative as well in order to improve its performance in the field of office paper usage and waste management, effective water usage, energy consumption and machines and stationary.

On community level KPMG Hungary has mostly been involved in charity programs, but in the near future the organization seeks to step out from conventional CR involvement. As an important step, KPMG Hungary organized a CR Marketplace in autumn 2007. The aim of this event was to bring together the representatives of the Hungarian for-profit and non-profit

sector in order to build networks and start CR activities without mentioning actual money contributions. This idea of a bargain based market-place was coming from other EU countries (e.g.: The Netherlands, Germany, and Austria). The experience of the event was that at the moment for-profit organizations in Hungary do not really understand the importance of such collaborations, or just treat the issue carefully because they are afraid of possible negative consequences (like administrative difficulties).

As a next step, KPMG Hungary is planning to move to a more strategic direction of CR. *“We would like to help with something that we do the best. This means, for instance, helping non-profit actors to build transparent, accountable and prosperous organizations which would raise the level of their effectiveness and competitiveness.”* In order to avoid discrimination, it could mean that KPMG would offer its service on a low or non budget.

Regarding CR services, KPMG has a strong international network, including 19 countries with full membership, 20 countries as a supporting practice and more than 350 sustainability professionals worldwide. Currently KPMG Hungary is a supporting practice of the KPMG Global Sustainability Services Network aiming full membership in the near future. As part of this joining process, Hungary will be included in KPMG International Corporate Responsibility Reporting Survey in 2008 for the first time.

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Previously such questions have not been raised or considered, neither at KPMG, nor in the sustainability reports of companies participated in the International Survey of Corporate Responsibility Reporting. Therefore, for this and for the next two questions we can only share our personal observations and opinions:

There are obviously many issues which are not touched by companies at all, and the issue of drug and alcohol is one of them.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

When talking about complex social issues like drug and alcohol misuse, it is very hard to find good and widely accepted solutions. This can frighten companies from these fields away, as being afraid of negative image, and can turn them to clearer and simpler issues e.g. buying hospital equipments to treat sick children.

Also, companies can stay away from some issues if the public opinion on the subject is widely divided. This phenomenon also turns CSR towards “nicer” issues. For instance, when talking about the drug-problem, in Hungary, a considerable part of the public blames the drug addicts themselves for their problems and feels that the whole issue falls far away from their own life. Contrarily, support of the children or the animals are accepted by the public in a much wider scope because the children and the animals are considered as innocent victims who should be helped. As long as companies can find other issues which are considered as publicly accepted and also strategic, they would probably stay away from the “sensitive” issues.

It is also a possible problem that companies simply do not see the strategic importance of supporting such “sensitive” issues. They themselves have limited knowledge about the given subject because of the limited cooperation with the government and the NGO sector.

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention among business, governmental and non-governmental organizations?

There are significant opportunities in such co-operations, especially when all actors consider these projects as strategic partnership and not only as some kind of public burden or simple charity. These strategic partnerships could offer not only indirect benefits for the participants (like a better social environment), but could also mean direct advantages for all parties involved. For instance, if KPMG helps non-profit actors to build transparent, accountable and prosperous organizations, this would result not only in a more effective and competitive non-profit sector, but also the creation of a new market niche for KPMG itself.

In the field of drug and alcohol misuse, companies should consider supporting prevention activities and other similar initiatives as strategic CSR activity, in order to protect the families of their employees and the society in which they do business.

Companies would probably consider more seriously the involvement in sensitive issues, if the government (together with NGO's) would work to change the public opinion. Companies in the field of communication and media could help these initiatives in the frame of their strategic CSR activities.

A strategic framework could be structured in order to help the re-socialization of previous alcoholics and drug-users. This framework should consider the collaboration among all actors, namely the business, the government and the NGO sector.

Appendix VIII

Minutes on the interview with Zoltán Kapitány, Brand Management and Online Communications Department, Magyar Telekom Group, Hungary

Date: June 20, 2008.

Place: Magyar Telekom. Address: H-10, Budapest, Krisztina Krt. 55.

Respondent(s): **Zoltán Kapitány,**
Head of Brand Management and Online Communications Department²²

Conducted by: Gergely Radácsi

Questions and answers:

Are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Yes, business organizations in Hungary generally avoid such programs in the course of their CSR activities.

If, yes, why are prevention programs addressing drug and alcohol misuse avoided by business organizations when planning their CSR activities?

Two personal experiences have come into my mind, which point out the situation in Hungary fairly well. First, the Magyar Telekom group has a CSR initiative, the facilitation of a donation hot-line. In the frame of this program, individuals can vote during a two months period for certain civil projects by calling this hot-line, and the project that receives the most vote receives a check as donation from the Magyar Telekom Group. Lately there was a possibility to vote for a foundation in the field of drug rehabilitation, but this foundation received surprisingly little vote. Second, one of the commercial TV stations (in cooperation with the Magyar Telekom Group) ran a similar donation program entitled: “The Case”. In this program, the Hungarian audience chose a foundation with the mission to save dogs, instead of other more socially oriented civil initiatives.

When business executives decide about the CSR strategies of their companies, they must consider these results as “indicators” of the public opinion. They do not join those projects and issues for which the public is not opened. It is very hard to communicate such projects, and we all know that communication is vital in CSR. Therefore, instead of drug-related programs, business organizations support those initiatives, which are easy to communicate and seen as important and worthy to support by the public. For instance, at Magyar Telekom, we are committed to health-related issues, and actually support foundations working in the field of drug prevention and rehabilitation. But, because of the previously mentioned

²² This department is responsible for sponsorship and Corporate Social Responsibility at Magyar Telekom Group

circumstances, we can not use these donations in our communication the same way as in the case of other issues.

What factors could lead to fruitful strategic partnership in the field of drug and alcohol misuse prevention, among business, governmental and non-governmental organizations?

My personal opinion is that a problem receives real attention only after exceeding a certain limit of tolerance. Just think about the energy issue. As an example, as long as the gas prices were relatively low, only a few people took seriously the insulation of their houses. But now, it is considered as a real problem and many houses have already received additional insulations. Unless the issue of drug and alcohol misuse does not result significant cost for business organizations or the government, or they are not aware of such costs it is hard to expect changes in this field.

Therefore, the governmental sector has to make the first step and launch communication in order to point out that drug and alcohol misuse is a serious issue in Hungary. For the sake of the cause, not only public institutions, but the government (parties and individual politicians) should break the silence and undertake the issue. Unless the governmental organizations and the politicians stand for the problem and they do not launch overall communication campaigns together with the civil society, it is not realistic to expect companies to step out and confront a refusal public environment. It is very hard to be the first company in such field.

The creation of a strategic platform would help the case, in which the participants (representatives of business, governmental and non-governmental organizations) could express what they expect as benefits from any cooperation in this field. Within this platform, it is also important to keep a healthy balance of the different interests. If the balance is lost (e.g. government expect business organizations to cover the entire cost of drug prevention), the partnership would not work anymore.

Bibliography:

AccountAbility, 2007. *AA 1000 Overview* [online]. Available from:
<http://www.accountability21.net/default.aspx?id=228>

CHIEF-Hungary, 1992. *Egészséged testben-lélekedben : személyiségfejlesztő, drog- és alkoholmegelőző program. 13 tanári kézikönyv és 13 tanulói munkafüzet az óvodák, az általános iskolák I-VIII. osztályai és a középiskolák I-IV. osztályai részére.* CHEF-Hungary Alapítvány. Második, javított kiadás. Budapest.

Csendes, É., 1996. *Életvezetési ismeretek és készségek : a 10-14 éves korosztály nevelőinek tanári kézikönyve.* Calibra kiadó. Budapest.

CSREurope, 2008. *About us* [online]. Available from:
http://www.csreurope.org/pages/en/about_us.html

CSRwire, 2008. *CSR – General* [online]. Available from:
http://www.csrwire.com/home/23/CSR_General

Drug Coordination Unit, 2008. *Official statement.* Personal Communication.

EABIS, 2007. *Good Practices of Stakeholder View, Final Report.* European Academy for Business in Society. Available from: http://intranet.eabis.org/dotlrn/clubs/public/file-storage/download/ZUR1_-_Stakeholder_View_-_Project_Highlights.pdf?file%5fid=1407956

EABIS, 2008. *Research-domains* [online]. European Academy for Business in Society. Available from: <http://www.eabis.org/research-domains/learning-and-innovation-perspective-4.html>

Elekes, Zs. and Paksi, B., 2000. *Drogok és fiatalok. Középiskolások droghasználata, alkoholfogyasztása és dohányzása az évezred végén Magyarországon.* ISMertető. Az Ifjúsági és Sportminisztérium szakmai kiadványsorozata. Budapest.

EMCDDA, 2008. *Country situation summaries, Hungary* [online]. European Monitoring Centre for Drugs and Drug Addiction. Available from:
<http://profiles.emcdda.europa.eu/html.cfm/index19716EN.html#prev>

European Commission, 2001. *Green Paper "Promoting a European framework for Corporate Social Responsibility"* (COM(2001) 366 final, 18.7.2001) Brussels. Available from:
http://ec.europa.eu/employment_social/soc-dial/csr/index.htm

European Commission, 2006. *New Communication on Corporate Social Responsibility, Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on CSR.* (COM(2006)136 final of 22.03.2006) Brussels. Available from:
http://ec.europa.eu/employment_social/soc-dial/csr/index.htm

- Eweje G., 2004. *The Post-WSSD Developments in Sustainable Development Governance: With Particular Attention to Industry-Society Relationships*", UNU-IAS Working Paper #116, 2004. United Nations University. Available from: http://www.ias.unu.edu/sub_page.aspx?catID=7&ddlID=196
- Freeman, R. E., 2005. A Stakeholder Theory of the Modern Corporation. *Perspectives in Business Ethics*, Ed. Hartman, L.P., NYC: McGraw-Hill, 3rd Edition pp.112-122.
- Friedman, M., 1970. The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, September 13, 1970.
- Lantos, P. G., 2001. *The Boundaries of Strategic Corporate Social Responsibility*. Stonehill College. Available from: http://faculty.stonehill.edu/glantos/Lantos1/PDF_Folder/Pub_arts_pdf/Strategic%20CSR.pdf
- Global Compact, 2008. *What is the UN Global Compact?* [online]. United Nations. Available from: <http://www.unglobalcompact.org/AboutTheGC/index.html>
- GRI, 2007. *Global Reporting Initiative* [online]. Global Reporting Initiative. Available from: <http://www.globalreporting.org/Home>
- Hardi, P., 2007. *CSR drivers and impediments in Hungary*. Presentation at the CSR Platform Workshop, Cranfield School of Management (UK).
- Holding, C., 2007. *CSR's Impact on Brands Grows* [online]. Policy Innovations. Available from: http://www.policyinnovations.org/ideas/commentary/data/csr_brand_impact
- IFC, 2008. *CSR* [online]. International Finance Corporation. Available from: <http://www.ifc.org/ifcext/economics.nsf/Content/CSR-IntroPage>
- Ifjúsági és Sportminisztérium, 2000. *Nemzeti Stratégia a kábítószer-probléma visszaszorítására*. Ifjúsági és Sportminisztérium.
- ILO, 1996. *Management of alcohol- and drug-related issues in the workplace*. International Labour Office, Geneva.
- ILO, 2000a. *Model workplace substance misuse prevention programmes in Slovenia*. International Labour Organization. Available from: <http://www.ilo.org/public/english/protection/safework/drug/modslv.htm>
- ILO, 2000b. *Increased awareness at the international level*. International Labour Organization. Available from: <http://www.ilo.org/public/english/protection/safework/drug/incawa.htm>
- Kék Pont, 2008. *EgészségIskola – Programleírás*. Internal document of Magyar Telekom Group.

- KPMG, 2005. *International Survey of Corporate Responsibility Reporting 2005*.
Available from:
www.kpmg.nl/Docs/Corporate_Site/Publicaties/International_Survey_Corporate_Responsibility_2005.pdf
- KSH, nd. *A kábítószer-fogyasztók és alkoholisták gondozása (1997–)* [online]. Hungarian Central Statistical Office (KSH). Available from:
http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/tabl2_05_06i.html
- Magyar Telekom, 2008. *Telefonos Lelkisélyszoigálatok támogatása* [online].
Available from:
http://www.magyartelekom.hu/docs/telefonos_lelkisehely_kedvezmenyezettek.pdf
- Mitchell, N., 1986. Corporate power, legitimacy and social policy. *The Western Political Quarterly*, 39 (2), 197-212.
- Papp, É. Dr., 2008: *A munkahelyi alkohol- és drogmegelőzési program bevezetése a Flextronics Computing üzletágában*. “Maradj a Zöld Zónában”, munkahelyi drog- és alkohol-megelőzési program. Módszertani füzetek 1. Szociálpolitikai és Munkaügyi Intézet, Budapest.
- Porter, M. E. and Kramer, M. R., 2006. Strategy and society: The link between competitive advantage and Corporate Social Responsibility. *Harvard Business Review*, December. Available from: hbr.org
- Ramrayka, L., 2006. *The rise and rise of the ethical consumer*. The Guardian, 6th November, 2006. Available from: <http://www.guardian.co.uk/society/2006/nov/06/5>
- SustainAbility and the UNEP, 2001. *Buried Treasure, Uncovering the business case for corporate sustainability*. SustainAbility, London. Available from:
www.sustainability.co.uk
- Szomor, K, 1994. *Summary on the implementation of the recommendations of the Oslo Declaration in Hungary*. Strasbourg, 3-4 February, 1994. Inter-ministerial Drug Committee of Hungary. Ministry of Welfare. Budapest. pp.12-14.
- Topolánszky, Á, 2008. *Munkahelyi drogpolitikai irányelvek (tervezet)*. NDI, Budapest.
- UNECE, 2005. *Sustainable development - concept and action* [online]. Available from:
http://www.unece.org/oes/nutshell/2004-2005/focus_sustainable_development.htm
- University of Miami, 2008. *A guide to Corporate Social Responsibility*. Available from:
http://www6.miami.edu/ethics/pdf_files/csr_guide.pdf
- UNDP, 2007. *Regionális projekt a vállalatok társadalmi felelősségvállalásának (Corporate Social Responsibility - CSR) erősítésére; A Gazdasági és Közlekedési Minisztérium, és az ENSZ Fejlesztési Programja (UNDP) közös sajtókonferenciát tartott 2007. június 5-én a GKM-ben*. United Nations Development Programme. Budapest.

UNDP, 2008. *Baseline Study on Corporate Social Responsibility Practices in Hungary 2007*. United Nations Development Programme. Budapest.

Werther, W. B. Jr. and Chandler, D. B., 2006. *Strategic corporate social responsibility: Stakeholders in a global environment*. Thousand Oaks: Sage.

World Bank, 2006. *What does business think about Corporate Social Responsibility, Part II, Comparison of attitudes and practices in Hungary, Poland and Slovakia*. Enabling a Better Environment for CSR in CEE Countries Project. World Bank. Available from: http://ec.europa.eu/employment_social/social/csr/060220_Hungary_Poland_Slovakia.pdf