Corporate Social Responsibility (CSR) is still very much in development as a business strategy in Romania. It is primarily international business that has embedded the principles of CSR so firmly in its business operations. Nevertheless, concepts such as fair pricing, good working conditions and social commitment are increasingly becoming elements of the business practices of local enterprises.

**Working conditions**

CSR can make a significant contribution to the development of Romania. Big multinational companies with establishments in Romania, including Unilever, Coca-Cola, Raiffeisen Bank and Philip Morris, have introduced CSR to the country. Romania is a member of the International Labour Organization (ILO) and has ratified the most recent ILO conventions concerning child labour, trade union rights and forced labour. Although Romania is not a member of the Organisation for Economic Co-operation and Development (OECD) it does subscribe to its guidelines.

**Environment**

Romania has significant natural wealth. The country is in the process of changing to a market economy, but a lot of investment is still required. The EU, the EBRD and the World Bank are all involved in environmental projects in Romania. Dutch companies can tender for Romanian contracts by means of the European public procurement rules. However, for a greater chance of success, it is recommended that the tender be made jointly with a local partner. The expertise and technology of Dutch companies in regard to environmental issues is highly valued in Romania, and this therefore certainly offers opportunities. Furthermore, the new public procurement act (2016) gives greater emphasis to innovation compared to previous selection criteria, which focused only on the price tendered.

**Corruption**

Corruption is a widespread and deep-rooted phenomenon in Romania. Given the differences in business culture, it can be difficult to draw a distinct dividing line between acceptable relationship management practice and corruption. It is therefore a good idea to get a grounding in local customs while ensuring that honest business practices are not comprised in this process. Companies that come across corrupt practices can report these to the local office of the National Anticorruption Directorate (the DNA).

**CSR in practice**

The Netherlands embassy is actively engaged in the field of CSR, working alongside the business community, NGOs, media and local government bodies. The Netherlands has thus contributed to the establishment in Romania of a local network of the UN Global Compact, set up in May 2015. The Dutch participants in this local network are Unilever and the Maastricht School of Management.

There is also a growing number of good initiatives from Dutch enterprises in the field of CSR. An example is NetRom Software, a company operating in the computer software sector, which has set in motion a large-scale employment project with the help of ESF funding. Such companies are also engaged in social projects to encourage the integration of young people from the Roma community.
The government and CSR

The Romanian government is not particularly engaged in promoting CSR, and it is thanks instead to other partners in society (companies, citizens, NGOs, etc.) that CSR has been raised to a higher level. The Dutch and United States chambers of commerce, for example, are involved in this area. The statutory framework is largely in order in Romania; the problem, however, lies in enforcing this legislation. It is wise to familiarise oneself with the legislation to be able to apply it in the right way. You could also instruct a legal adviser to guide you in this field.

A great deal of money is lost in Romania as a result of bureaucracy and a lack of transparency and efficiency. However, the Romanian government is keen to attract foreign investment by improving the business climate.

The human rights situation in Romania has improved, although there are still examples of discrimination (especially against the Roma community). A useful tool to determine the extent to which your organisation can guarantee the rights of your employees in the chain is the ‘Human Rights Compliance Assessment’ (HRCA) tool.

Further information

- The Dutch government endorses the OECD Guidelines for Multinational Enterprises, which set out how companies doing business abroad should address matters of Corporate Social Responsibility. The guidelines provide useful input for companies wishing to compile their own Code of Conduct covering issues such as child labour, the environment and corruption. www.oecdguidelines.nl
- The International Labour Standards provide a framework for comparing working conditions in the informal sector with other countries. www.ilo.org/global/standards/index.htm
- CSR Netherlands (MVO Nederland) offers comprehensive information and advice about all aspects of Corporate Social Responsibility. See www.mvonederland.nl/csr-netherlands
- For more CSR–related organisations in Romania please consult the website www.rvo.nl/onderwerpen/internationaal-ondernemen/landenoverzicht/roemenië/mvo/organisaties. (in Dutch)