First Civic Engagement Report 2012

For a culture of shared responsibility
First Civic Engagement Report 2012

For a culture of shared responsibility

Central findings
Contents

I. Shared responsibility in the public sphere through civic engagement ........................................ 9

II. Civic engagement in society .............................................................................................................. 11

III. Companies' shared responsibility for society ............................................................................... 19
   3.1 The responsibilities and image of companies in our society .................................................... 19
   3.2 Civic engagement by companies in numbers ........................................................................... 22
   3.3 Companies' motivation for civic engagement .......................................................................... 25
   3.4 The areas of social engagement ............................................................................................... 28
   3.5 The instruments and strategies of civic engagement ............................................................... 30

IV. Central recommendations for taking action ..................................................................................... 34

Conclusion ..................................................................................................................................................... 36

The members of the Expert Commission for the First Civic Engagement Report ................. 37
I.

Shared responsibility in the public sphere through civic engagement

The state, business and industry, and society face tremendous challenges in the wake of the demographic transition, the structural transition to a service economy, more rapid globalisation, changing values through to the financial and national debt crisis, as well as a crisis in confidence. Civic engagement and a culture of shared responsibility take on more importance as ways of shaping society in a free, democratic economic order. Civic engagement contributes to ensuring and strengthening social cohesion. But what exactly is civic engagement? The Expert Commission who drafted the First Civic Engagement Report reached agreement on the quintessence of the following (cf. also the box below for a definition).

Helping to shape our social values and norms as well as our institutions is a “voluntary civil duty”. The assumption of shared responsibility can and should not be required by the state. It is an essential building block in our free, democratic society under rule of law. As a voluntary act in the public realm, it goes far beyond the more limited sphere of taking personal responsibility. People and organisations do not withdraw into private realms and see the state as solely responsible, but instead show a common interest in the welfare of a community and take on shared responsibility in the public sphere. In this conjunction, civic engagement can help to establish structures in many ways: through on-going contributions, such as financial donations, or through voluntary work in associations, innovation as well as solving concrete problems, as in the case of social enterprises.

This civic engagement, primarily provided without seeking financial benefit, can thus be found in different areas such as sports and leisure, art and culture, religion and environmental protection, health and social affairs and thus contributes to shaping the way we live together or helps to establish new ways of determining rules. This definition and the analysis of civic engagement – especially that of companies – reflect a new approach to the category of shared responsibility, which was chosen for the First Engagement Report. Because the central task with which the Expert Commission was charged was to assess the importance, strategies and effects of civic engagement from an economic perspective, in addition to the social and political science perspectives, these views will be combined in the report and offer, together with some fundamental references, a comprehensive view of the topic of shared responsibility.

---

1 In this Engagement Monitor, selected topics and results from the First Civic Engagement Report are presented. Hence, it does not reflect the report and the views of the Commission entirely and only summarises central aspects. In order to create a more legible format, citations were not included in this Monitor; they can be found in full in the First Civic Engagement Report.
Definition of civic engagement in the Civic Engagement Report

(1) Civic engagement is voluntarily shared responsibility in and for the public sphere. It reflects and recognises civic duties in the interest of the community. It is a contribution made by individuals and organisations.

(2) Civic engagement establishes structures, provides important impulses for social coexistence, and thus produces positive external effects for society.

(3) Civic engagement can express itself in on-going contributions and innovations and in solutions to problems that are primarily provided without seeking financial benefit.

(4) Civic engagement can be oriented both towards new ways of determining rules as well as the organisation of coexistence within the framework of the state.

Source: First Civic Engagement Report, 2012

In the general section of this report on civic engagement in Germany, the report by the Expert Commission for the First Civic Engagement Report, findings and trends on the individual and organisational level are related along with the status of current academic and political debates. The main part is dedicated to civic engagement of companies, with recommendations for taking action completing this report.
Civic engagement in Germany

The First Civic Engagement Report provides a broad survey of the status and situation of civic engagement in Germany. The focus is on individual parties and on collective parties that offer organised structures providing opportunities for engagement. In addition, the political and scientific discourse will be presented to the extent that it currently makes a fundamental contribution and plays an important role in relation to the status and situation of civic engagement in Germany.²

Civic engagement in Germany is characterised by its high degree of consistency, many facets, and diversity. Nevertheless, it is currently confronted with extensive changes and faces challenges. Questions as to how to stabilise membership quotas have been a concern of large organisations for decades now. In many areas, it is especially difficult to recruit subsequent generations to take over the voluntary leadership or board positions. A fundamental challenge is achieving greater involvement on the part of people who have less experience with the educational system or who are socially disadvantaged, since they display lower rates of civic engagement.

Civic engagement – the individual level

Over a third of the population in Germany is involved in some form of civic engagement. This includes people who are actively involved in civil society in one or more areas or who are active as volunteers. According to the results of the Volunteering in Germany, a representative survey of volunteering and civic engagement in Germany, the share of those engaged in voluntary activities in the population over 14 years of age in Germany rose from 34 to 36 per cent between 1999 and 2009 and remained stable between 2004 and 2009.

There is further potential for more civic engagement. According to Volunteering in Germany, of the 64 per cent who are not yet involved in civic engagement, over a third is definitely or possibly willing to play an active role. This share, which was 26 per cent in 1999, has risen by 11 per centage points, to a total of 37 per cent in 2009. Four of ten people interviewed were not currently engaged in civic activities, but would be willing to do so under certain circumstances. Various conditions play a role in influencing whether what the interview partners were able to imagine would actually be translated into concrete action. These findings support the assumption that better information regarding options for civic engagement and greater recognition of such activities could have a positive effect on the rate of civic engagement.

² Note: the following brief description is based on empirical findings. In the First Civic Engagement Report itself, diverse findings from empirical research on civic engagement from the past ten years will be extensively presented and discussed.
Civic engagement varies depending on the area

Sports and physical recreation are currently the leading area of civic engagement. Schools and kindergartens, church and religion, culture and music as well as social contexts are also among the predominant areas of civic engagement. In addition, civic engagement is also found in many other contexts. Of these, contexts such as voluntary fire brigades and emergency rescue services alone encompass a three per cent share of the population involved in civic engagement. Engagement in social-, health-, child- and youth-related fields, as well as within the context of churches/religions, culture and the environment, has increased since 1999. While, on the other hand, engagement in the field of sports and leisure and socialising is declining (cf. Fig. 2–1).

Figure 2–1: Development of civic engagement in 14 areas
Population aged 14 and older, data in per cent, multiple answers possible, 1999–2009

Geographic differences
Civic engagement is not equally prevalent in all areas of Germany. Hence, it has slightly increased in the new Länder in the last ten years (from 28 per cent to 31 per cent), which can be interpreted as a positive indicator for the development of civil society. Nevertheless, the level of civic engagement in Eastern Germany is lower than in Western Germany (37 per cent). In addition to the East-West differences, there is also a gap between the North and the South as well as between urban and rural areas, whereby a comparatively high rate of civic engagement can be found in rural regions of Southern Germany.

Who becomes involved?
Not all citizens are involved to the same degree. Differences related to socio-cultural characteristics can be observed; these include educational status, profession, income level, age and gender. Socio-structural differences are also reflected in differing forms of engagement, for example the willingness to play a leading role or to make donations. People's own economic situations, their involvement with social issues, as well as their value systems have a particularly strong influence on their willingness to make donations. Socio-structural factors are also an important factor in explaining the generally lower level of long-term engagement by people with a history of immigration.

More engagement among the employed and those with a higher level of education
The findings of current studies show that people who are especially involved in civic engagement are people who, due to other characteristics, are well integrated into society, who have a higher level of education and a higher income. People who are employed demonstrate the highest level of engagement, whereby the rate among those who work part-time is, by comparison, the highest. Engagement is particularly pronounced among males who are employed and people with a higher educational profile. People who are unemployed or have a low social and educational status are strongly underrepresented. A strong correlation exists between income and engagement.

Women tend to be underrepresented in civic engagement, specifically in areas such as sports, and especially in leadership positions. As is the case with men, engagement on the part of women varies according to the phase of life they are currently passing through. Hence, the rate of engagement among women between 45 and 55 years of age is almost the same as for men of the same age. On the other hand, women between 25 and 30 are far less frequently involved in civic engagement than men in the same age group. It can be assumed that education/vocational training and entry into a working life leave young mothers, in particular, with less time for additional involvement in the realm of civic engagement.

Civic engagement is increasing among older people and decreasing among younger people
Civic engagement is highest among the middle-aged. Families with children are among the “most active” in terms of civic engagement. However, older people are also increasingly involved today. While in 1999 the rate of civic engagement already began to sink among 56 to 60-year-olds, today a decline manifests itself first for those aged 70 and older (cf. fig. 2–2). Older people are, however, not as often willing to commit to time-consuming tasks. Current studies indicate that an essential prerequisite for this is that civic engagement opens up interesting perspec-
tives in keeping with people's desire to help shape the outcome within the context of “active aging”. The studies show that in addition to the time available, a positive image of age also plays an important role for the civic engagement of the elderly.

The decline of civic engagement on the part of younger people can be explained through increasing mobility, lack of time and increasing demands when entering working life. The rate of civic engagement among 14 to 24-year-olds is, nevertheless, still considerable at 35 per cent, so that young people represent a relevant group among those who are involved in civic engagement. In addition, young people’s potential for engagement is increasing. The motives of young people and young adults have changed over the course of time. There is now more often the expectation that civic engagement will result in advantages in a professional context than was the case ten years ago.

Extent of civic engagement

Five per cent of those involved in civic engagement invest over 15 hours per week, for another 21 per cent, civic engagement takes up more than six hours per week. 36 per cent of those involved in civic engagement devote less than two hours of their weekly time to their voluntary activities. An assessment of the data collected by the German Socio-Economic Panel (representative annual survey of more than 12,000 households in Germany) shows that regular civic engagement has continually increased since 1998. While roughly 13 per cent of the population over the age of 16 was engaged in voluntary activities at least once a month in 1992, by 2007 the figure was around 17.2 per cent. Although overall changes in relation to the time schedules of civic engagement have become apparent in the last ten years, the level of dedication is still high: civic engagement is often connected to regular obligations and often involves activities that are pursued continually over years.

Less willingness to assume voluntary leadership functions

Civic engagement is now also undergoing a process of change in relation to the cooperation between full-time and voluntary personnel as well as in relation to the recruitment of functionaries on executive boards and management levels. In some areas of organised civic engagement, the willingness to assume leadership and board functions has been declining for years. At the same time, short-term or irregular forms of engagement have been increasing during the past ten years. Nevertheless, civic engagement still mainly involves regular obligations and entails continuous, long-term activities. In 2009, the average person involved in civic engagement had been active in the area in question for over ten years, and roughly a third had been active for over ten years.

Organisations: providing a framework for civic engagement

The majority of civic engagement in Germany takes place in one of roughly one million organisations. These often non-profit organisations of civil society provide a framework for civic engagement, combine, promote and articulate interests or act as important service providers. The organisational forms are heterogeneous and encompass institutions in which the size, financial resources, goal orientation and legal form varies. Associations, federations and foundations are considered the most common forms of organisation in the field of civic engagement. Political parties, unions and churches are further relevant parties. Loosely connected and informally organised groups, such as initiatives and movements, now enjoy increased attention yet there are no reliable data, because current empirical social research on new forms of participation (e.g., within the context of Web 2.0) has just begun.
Table 2–1: Locations of civic engagement  
The most time-consuming voluntary activities, in per cent

<table>
<thead>
<tr>
<th>Organisational form</th>
<th>1999</th>
<th>2004</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association</td>
<td>49</td>
<td>49</td>
<td>46</td>
</tr>
<tr>
<td>Church, religious institution</td>
<td>14</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Groups, initiatives</td>
<td>11</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>State or municipal institution</td>
<td>10</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Federation</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Political party, union</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Private institution, foundation, other</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Sum</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


Associations: centres of civic engagement
Roughly half of all of those involved in engagement for civil society are active in associations, which represent the most important framework for civic engagement and which have further increased in number during the past ten years (cf. Table 2–1). Associations offer forums for various forms of voluntary activity, particularly on the local level. They act as economic organisations, channels for political action and social service providers. Associations of friends or sponsors support schools, theatres and museums. Associations make important contributions by supporting youth houses and self-help groups. The field of leisure, in which a good third of the associations is active, accounts for the largest share, followed by the fields of welfare, professional, economic and political concerns.

Boom in foundations
There has been a boom in the establishment of foundations during the past ten years. While 3,651 newly established foundations were recorded between 1990 and 1999, the figure rose to 8,767 during the following decade (2000–2009). In total, there are roughly 18,000 foundations in Germany today. They are more frequently encountered in the Western German Länder than in Eastern Germany and more often in cities than in rural areas. The boom has been accompanied by three trends: first of all, foundations network more frequently with other organisations of civil society; secondly, there are foundations today which define the promotion of engagement for civil society as their explicit task; thirdly, there are more community foundations that support civic engagement on a local level. However, the financial resources of foundations are limited. Their share of the financial volume of civil society only accounts for roughly 0.3 per cent. Less than a fifth has endowed foundation assets of over 2.5 million euros, only a fourth expend more than 250,000 euros per year.
Federations: between tradition and progress

Roughly half of the 14,000 federations that exist in Germany are active in areas that are genuinely in the field of civic engagement. In the past years, a pluralisation of the environment within which federations operate has taken place and the tasks of federations are becoming more complex. This is especially true of large federations that find it more difficult to establish lasting ties to their members. Smaller organisations, on the other hand, have witnessed an increase in membership. Professionals have increasingly come to replace volunteers in leadership positions. In relation to mobilising volunteers to take over leadership functions, federations are facing a challenge. Entry and qualification options can be expanded. Many welfare federations have reacted to the transition in honorary positions flexibly and now serve as organisations that broker options for civic engagement (e.g., Freiwilligenagenturen – volunteer agencies). The orientation towards competition in the market where private service providers are active has considerable effects on their organisational structures, their role as stakeholders in civil society and the roles played by those involved in civic engagement.

Stable engagement in churches

Civic engagement within the context of churches and religious communities is relatively stable, both in terms of the extent as well as the duration. 14 per cent of those involved in engagement for civil society are active in this context, and over two-thirds have been active for over five years. Churches offer good framework conditions for those who engage in activities. For example, those who become involved in civic engagement have relatively frequent access to contact persons. The options are also diverse. Traditional forms of voluntary activity, which are altruistically motivated and entail a long-term commitment, are dominant. Churches also offer options for participation that correspond more with the “new volunteerism” that is of limited duration and mainly attracts younger people from urban areas.

Decrease in membership in large organisations

Over half of the population belongs to at least one association or organisation. In a European comparison, the membership quota in Germany is above average. However, especially unions and parties have suffered a strong decline in membership in recent decades. Both types of organisations have long traditions in terms of political engagement. Reforms they have undertaken in order to react to the decline in membership – including greater participation options in the case of parties and better support for members in the case of the unions – have not succeeded in stopping the decline yet. While 2.4 million people were organised in the political parties in 1990, in the meantime the figure is only roughly 1.4 million. The share of employees who are organised in the unions that are combined in the Confederation of German Trade Unions has declined from 19.4 per cent (2000) to 17.4 per cent (2010). While the reasons in the case of the unions are mainly seen in social and economic transitions, as well as changes in conditions of employment, surveys show that in the case of the parties, problems specific to the organisations play a role alongside social developments like individualisation and pluralisation.
Organisations in transition and new networks
In addition to the classic forms of organisation, an area characterised by informal and/or network-like organisational structures is of considerable importance for civic engagement. Similar to the case in classic forms of organisation, it is also mainly people with higher incomes and better professional qualifications who are engaged in informal groups. In the past ten years, a new type of organisation has also formed: the so-called QUANGO (quasi-autonomous non-governmental organisation). They include volunteer agencies, community foundations, multi-generational centres, senior citizens offices, and clearing offices for self-help groups. In addition to helping to place volunteers, they also dedicate themselves to counselling organisations, developing projects and linking the various parties locally. Their number has increased considerably. A goal of the multi-generational centres is to create a new form of living together across all generations and to strengthen the local social infrastructure. Within the context of multi-generational centres, people engaged in activities for civil society account for the largest share, or 60 per cent of those who are active in this context.

Overall, organised civic engagement is currently in a process of transition. In view of the difficult situation of many organisations, new models must be developed and new options for cooperation must be tested. Established organisations face the challenge of adapting their structures to current demands while maintaining a focus on the purpose to which they are dedicated.
III.
Companies’ shared responsibility for society

3.1 The responsibilities and image of companies in society

The central responsibility of a company in a market economy is to produce goods and services. The goal in this conjunction is to cater to the preferences and desires of the consumers in the best possible manner. All of the further functions and responsibilities in a market economy are derived from this goal. In the First Civic Engagement Report, these relationships will be described comprehensively, because this clear assignment of responsibilities often becomes blurred when an increasing number of new demands and requirements are placed on companies.

The pursuit of the company’s interests and its orientation on personal benefit also promotes the common good when the appropriate framework conditions for companies are established by society and in the political realm through rules, regulations and directives. This is the essence of a functional, competitive and market economy, in which the pursuit of personal goals increases the wealth of the nation. But since such regulations can never be complete and fully comprehensive, companies have both a shared responsibility for shaping the framework conditions as well as a responsibility for activity within the economic and social order. In which way, with which motivation, with which goals and with which strategy companies become involved in engagement for civil causes beyond their core areas of business, will be described in this chapter.

The focus on corporate citizenship in the First Civic Engagement Report reflects, on the one hand, the fact that the state is, in many areas, not fully able to perform these tasks and has, in some cases, reached its limits. On the other hand, it emphasises the importance of business and industry as institutions, also in view of ethical action and shared responsibility, because a company culture which encourages and rewards its employees when they become involved in civic engagement also promotes ethical behaviour on the part of the individual.

For companies that stand in competition with others, it is, however, not always that easy to become involved in civic engagement above and beyond legal requirements. Social engagement does not necessarily bring material rewards for the individual company. After all, the company must finance this civic engagement out of its core business activities, while, at the same time, this civic engagement may not only benefit society in general, but possibly also the competition.
These so-called positive external effects (because they accrue to society and not the company) represent a considerable obstacle to engagement on the part of business and industry. Because there is the possibility of simply going along for the ride, i.e., for individual companies to profit without investing any money of their own, e.g., when other companies actively promote the preservation of the social market economy and campaign against dirigiste regulations. Such social dilemmas, in which individual rational behaviour leads to less desirable collective results, describe fields that call for shared responsibility beyond personal interest.

Such a field is represented by efforts to overcome the loss of confidence in the economic system in general, and in business and industry in particular, since the financial and economic crisis. This is another reason why the focus of the First Civic Engagement Report is very topical, while it presents, on the one hand, what companies already do beyond their core business activities to promote voluntary engagement, even when this requires the deployment of considerable resources. It also shows, on the other hand, that civic engagement is not suited to cover up illegitimate core business activities, but is, above all, worthwhile – for society and the companies – when it is approached strategically and systematically.

**Loss of confidence through the economic and financial crisis**

The most recent economic crisis, caused by the financial markets, resulted in a considerable loss of esteem for and confidence in the system of market economy, business and industry, as well as the financial system and the banks in Germany. Only around 18 per cent of the population has confidence in the banking sector. In 2008, this figure was still 42 per cent. The general confidence in banks suffered among 90 per cent of the German population. But not only are the banks confronted with damage to their reputations. Confidence in management and in companies has also eroded. Now only less than a fifth of the German population considers those employed in management and in the upper echelons of companies to be trustworthy.

It is possible that much of this mistrust towards business and industry can be attributed to reports in the media. Public criticism often focuses solely on large stock corporations, and individual mistakes made by these large companies are extensively reported. Yet, 95 per cent of the German companies are owned by families, are run by the owner, or are mid-sized companies, and usually have a good reputation in the region in which they are located. Small and mid-sized companies dominate the economy. They account for 41 per cent of all turnover and for the employment of 61 per cent of those required to pay contributions for social benefits. However, the media – with the exception of the local media – hardly take notice of them. This is also an explanation of why employees have a much more positive image of their direct bosses than of managers in general.

In October of 2010, the approval rating for the social market economy dropped below 50 per cent for the first time. Even though the rate of rejection reached just 41 per cent – the social market economy is threatened by a loss of majority approval in the future. At last, the approval rate for the social market economy again became more stable and was at 57 per cent in 2011 (cf. Fig. 3–1).
Winning confidence through a culture of shared responsibility

In order increase confidence in the system of market economy and those who play a principle role in it, companies in the private sector are called upon, in the view of the Expert Commission, to become involved in civic engagement. As institutions in a free, democratic society, companies have responsibilities beyond their core business. This is true of small companies all the way through to large stock companies, whereby the latter, due to their national and international importance and power, are especially subject to public scrutiny. Because a society that operates within the framework of a social market economy assigns every one of the central participants – the state, companies and civil society – a shared responsibility for the development of society. This responsibility shared by business and industry augments the responsibility of the political elite to shape the framework conditions and facilitates responsible, ethical behaviour on the individual level.

But where and why do companies take on shared responsibility in the form of civic engagement? The First Civic Engagement Report provides some answers to questions that still required additional study. The assessment of a representative cross-section of all companies in Germany in relation to the question of the civic engagement offers a broad basis for this as well as for recommendations for political and social discourse.
3.2 Civic engagement by companies in numbers

A representative survey of 4,400 companies in Germany, conducted exclusively for this report, provides reliable empirical findings on civic engagement by business and industry.

**Database: Short description of the IW Future Panel**
The Expert Commission commissioned the Cologne Institute for Economic Research (in German: Institut der deutschen Wirtschaft [IW]) with the company survey; the institute has been conducting online panel surveys of roughly 30,000 companies on various topics and special topics three times a year since 2005. 4,392 companies answered the question regarding civic engagement with yes or no. Over 2,500 companies involved in civic engagement provided information regarding strategies, motives, areas of civic engagement and their financial expenditures. Some of the companies did not answer all of the questions, hence the number of companies varies from one question to the other.

**At least 11 billion euros expended for civic engagement**
Companies in Germany invest at least 11.2 billion euros, according to conservative estimates based on this representative survey, in order to become voluntarily involved in civic engagement above and beyond legal requirements. In this conjunction, donations totalling 8.5 billion euros are the most important form of civic engagement. Roughly half of the companies contributed goods (1.5 billion euros). The cost of providing access to the company infrastructure free of charge is 900 million euros. Granting leave so that the companies’ own employees can engage in voluntary activities is still rather seldom, but becoming ever more popular (cf. figure 3–2).

**Figure 3–2: Civic engagement by companies according to the type of contribution**

![Civic engagement by companies diagram](source)

*Source: First Civic Engagement Report 2012*
The size of the company plays a central role in this conjunction: the larger the company is, the more likely it is to be involved in civic engagement (cf. fig. 3–3). Of the smaller companies with up to 49 employees, roughly 63 per cent were involved in civic engagement. 71 per cent of the companies with 50 to 499 employees were involved in civic engagement. In the case of companies with over 500 employees, the rate of civic engagement was 96 per cent.

The high rate among large companies can be attributed, firstly, to the fact that such activities require a critical minimum size in relation to financial and human resources. This makes it easier for large companies to provide the corresponding services for the community. Secondly, large companies often have personnel specifically trained in the corresponding area of civic engagement, who develop different measures and strategies for the company’s civic engagement. This is different in the case of the smaller companies, which are usually run by the owners, and where the responsibility for civic engagement often lies with the owners themselves. Thirdly, larger companies may be more successful in informing the public at large that they are doing work for the benefit of society, since their activities are more likely to be spotlighted by the media. Reports on civic engagement by smaller companies, on the other hand, often go unnoticed. Since this information transfer is important for the image of the company, such activities prove to be more worthwhile for larger companies. Fourthly, it is more difficult for large companies to leave it up to a third party to make a contribution to the common good, without making any contribution of their own, and still be able to profit from such contributions. It is quickly noticed when large companies attempt to act this way. Hence, the pressure to assume social responsibility is higher. If one differentiates the companies according to their leadership structures, one sees that companies run by the owner (64.5 per cent) are only slightly more likely to be involved in civic engagement than companies run by managers (62.1 per cent).
Small companies devote a larger share of their turnover to local civic engagement

On the other hand, if one examines the expenditures in relation to company turnover, one finds that small companies expend a greater share for civic engagement than large companies do (cf. Table 3–1). 45 per cent of the companies with fewer than 50 employees expend more than 0.3 per cent of their turnover for civic engagement; this was true of only 16 per cent of the companies with over 500 employees.

Table 3–1: Civic engagement – Share of turnover according to company size

<table>
<thead>
<tr>
<th>Companies according to the number of employees</th>
<th>Share of turnover for CE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>low (&lt; 0.014)</td>
</tr>
<tr>
<td>Total</td>
<td>31.3</td>
</tr>
<tr>
<td>under 50 employees</td>
<td>31.1</td>
</tr>
<tr>
<td>50 to 499 employees</td>
<td>34.3</td>
</tr>
<tr>
<td>500 employees and more</td>
<td>45.4</td>
</tr>
</tbody>
</table>

Source: First Civic Engagement Report 2012
N = 2,638; weighted values
* The share of turnover has been divided into three categories: low – companies with a share under 0.014 per cent of turnover; medium – companies with a share of between 0.014 to 0.3 per cent of turnover; and high – companies with a share of turnover of 0.3 per cent or more.

The engagement of companies by sector

There are only marginal differences between service sector and industrial companies in relation to the rate of civic engagement (cf. Table 3–2). Roughly 62 per cent of the companies in industry are involved in civic engagement; in the case of service sector companies, the rate was 64 per cent. The rate of civic engagement for companies providing services to businesses, such as construction companies, is roughly 61 per cent and, hence, somewhat lower than that of providers of consumer services, the retail or the hospitality sectors, who reached a civic engagement rate of roughly 70 per cent.

Table 3–2: Civic engagement according to sector

| Was your company involved in any sort of civic engagement in 2010? Data in per cent, weighted |
|-----------------------------------------------|-------------------------|
|                                              | Yes                    | No         | Total      |
| Metal and electronics industry                | 62.3                   | 37.7       | 100.0      |
| Other industry                               | 62.1                   | 37.9       | 100.0      |
| Industry in total                            | 62.2                   | 37.8       | 100.0      |
| Business-to-Business (B-to-B) services and construction | 61.4                   | 38.6       | 100.0      |
| Consumer services/retail/hospitality          | 70.4                   | 29.6       | 100.0      |
| Services/construction in total               | 64.0                   | 36.0       | 100.0      |
| Total                                        | 63.8                   | 36.2       | 100.0      |

Source: First Civic Engagement Report 2012
N = 772 (Metal and electronics industry) up to 4,213 (total); weighted values
Companies become involved in civic engagement locally and for the mid-term

Usually, corporate citizenship takes place on a local level. In nearly 90 per cent of the cases, a company’s civic engagement is tied to the company’s location in Germany. 9.5 per cent of the companies are involved in civic engagement beyond the region in which they are located, 9.3 per cent of the companies are active internationally, independent of their locations.

As a rule, the activities are planned for a limited time. Many companies are inclined to become involved in short- or mid-term civic engagement. 45 per cent of the companies with up to 49 employees report that they are involved in short-term activities; only 30 per cent are involved in long-term projects. In the case of companies with over 500 employees, on the other hand, a tendency towards long-term civic engagement can be recognised.

3.3 The motivation for companies’ civic engagement

The motives can be exclusively for the benefit of the company, because according to the Expert Commission what counts in relation to civic engagement is not the motive but rather the actual result of entrepreneurial activities. It is, however, important in answering the question as to how entrepreneurial civic engagement can be promoted to be familiar with the company’s motives. In this conjunction, we see how multi-facetted the individual economic and social goals that companies pursue individually or in parallel through their voluntary civic engagement are.

This can be either reactive or proactive civic engagement. In the case of reactive civic engagement, companies cater to the wishes of the stakeholders and react to corresponding requests, for example from NGOs, in order to competitively satisfy the needs of their clientele or other stakeholders to the best of their ability. Companies have a self-interest in these activities only to the extent that they hope to be rewarded by one of the stakeholders for their civic engagement.

In the case of pro-active civic engagement, the impulse to assume responsibility comes from the company itself. The company assumes shared responsibility without external pressure being exercised. The goal in this conjunction can be to reduce internal transaction costs by, for example, further developing company culture. Internal reputation management and conscious development of company culture can sink transaction costs, which are higher in companies that exercise more control than in a company culture based on shared responsibility. Civic engagement is, in turn, able to contribute to this.

In the pursuit of social goals within the context of pro-active civic engagement, the person within the company who makes decisions regarding civic engagement can, ultimately, also be intrinsically motivated. This person may see the company as a part of society and seek to promote its cohesion. The advantage for the company plays a secondary role. Disadvantages for the company may even be partially accepted, if the decisive person views the welfare of society as more important than the welfare of the company. The Expert Commission assesses this as somewhat problematic, especially when the person making decisions with regard to activities in the field of civic engagement is not the owner of the company, but is instead using third-
party resources with which he or she has been entrusted. Calls for an expansion in the degree of civic engagement should, therefore, always be discussed within the context of a discourse between all of the relevant parties in a company.

**Companies usually pursue a number of goals, some act without explicit goals**

The results of the survey show that over a fifth of the companies with comprehensive corporate citizenship pursued a wide spectrum of goals. One finds both reactive and pro-active civic engagement in such companies. This means that among the companies involved in civic engagement, nearly 36 per cent are involved in comprehensive civic engagement (cf. Table 3–3). This corresponds with the findings of the company survey by the Centrum für Corporate Citizenship Deutschland, according to which, 33.3 per cent of the companies reported that they (also) seek possibilities for taking the initiative to become involved in civic engagement themselves.

In the case of nearly eight per cent, the company placed emphasis on the active assumption of social responsibility in keeping with the concept of pro-active civic engagement. Only roughly three per cent of all companies could be categorised in the group that primarily orients its activities on the wishes of the stakeholders and on ensuring competitive advantages, i.e., purely reactive civic engagement.

Nearly 16 per cent of all German companies are involved in civic engagement, but thereby only pursue highly unsystematic goals. In the case of 13 per cent of the companies, average rates of agreement either with the group “reactive civic engagement” or the group “pro-active civic engagement” are found.

**Table 3–3: Importance of types of civic engagement in business and industry overall**

<table>
<thead>
<tr>
<th>Types of Civic Engagement</th>
<th>All companies</th>
<th>Only companies involved in civic engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive civic engagement</td>
<td>21.9</td>
<td>35.8</td>
</tr>
<tr>
<td>Unsystematic civic engagement</td>
<td>15.6</td>
<td>25.5</td>
</tr>
<tr>
<td>Pro-active or reactive civic engagement</td>
<td>13.2</td>
<td>21.7</td>
</tr>
<tr>
<td>Primarily pro-active civic engagement</td>
<td>7.7</td>
<td>12.6</td>
</tr>
<tr>
<td>Primarily reactive civic engagement</td>
<td>2.7</td>
<td>4.4</td>
</tr>
<tr>
<td>No civic engagement</td>
<td>38.9</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: First Civic Engagement Report 2012*

*N = 2,316, weighted values*

According to Table 3–3, intrinsically motivated goals play a primary role when companies become involved in civic engagement. The active assumption of entrepreneurial responsibility for social tasks as well as the promotion of company culture (pro-active civic engagement) serve many company goals, in order to satisfy the demands of the stakeholders. Many companies, however, also pursue a hybrid strategy, by considering pro-active and reactive goals (comprehensive civic engagement) in their civic engagement. On the other hand, in the case of one in four companies, the motivation displayed no clear orientation.
Civic engagement is often a part of company culture

In the company survey conducted by the IW Future Panel on civic engagement by companies in Germany it was possible to name more than one goal. Often, it is possible to pursue diverse goals simultaneously through one measure. Hence a measure involving corporate volunteering can promote the common good, although the primary emphasis is on the individual economic goal of training the social skills of employees. At the same time, this also promotes the employees' motivation, social capital is created through joint learning, the company culture is improved, the reputation of the company is improved through the communication of the measures to the general public and this ultimately enhances the value of the company brand.

Table 3–4: Individual economic goals for civic engagement
What benefit should your company derive from civic engagement?
Expressed as a per centage of the companies involved in civic engagement

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Applies</th>
<th>Tends to apply</th>
<th>Tends not to apply</th>
<th>Does not apply at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement is part of a vital company culture</td>
<td>39.4</td>
<td>37.0</td>
<td>12.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Improvement of the company’s public image</td>
<td>25.6</td>
<td>42.6</td>
<td>16.0</td>
<td>15.8</td>
</tr>
<tr>
<td>Increase customer loyalty/satisfaction, gain new customers</td>
<td>20.0</td>
<td>26.4</td>
<td>22.4</td>
<td>31.2</td>
</tr>
<tr>
<td>Enhance the attractiveness of the company location</td>
<td>14.8</td>
<td>30.3</td>
<td>24.1</td>
<td>30.8</td>
</tr>
<tr>
<td>Link company experts, establish and maintain contacts</td>
<td>13.0</td>
<td>27.1</td>
<td>24.5</td>
<td>35.4</td>
</tr>
<tr>
<td>Ensure local infrastructural facilities essential to the everyday operation of the company</td>
<td>12.2</td>
<td>21.7</td>
<td>31.2</td>
<td>34.9</td>
</tr>
<tr>
<td>Enhance employee motivation and loyalty</td>
<td>11.4</td>
<td>32.9</td>
<td>29.0</td>
<td>26.8</td>
</tr>
<tr>
<td>Promote employee qualification and the social skills of employees</td>
<td>11.4</td>
<td>30.7</td>
<td>27.2</td>
<td>30.7</td>
</tr>
<tr>
<td>Increase market value</td>
<td>11.2</td>
<td>21.8</td>
<td>27.0</td>
<td>39.9</td>
</tr>
<tr>
<td>Enhance society’s confidence in the market economy</td>
<td>11.1</td>
<td>28.5</td>
<td>28.4</td>
<td>31.9</td>
</tr>
<tr>
<td>Ensure the future supply of trained personnel</td>
<td>9.7</td>
<td>16.6</td>
<td>27.6</td>
<td>46.1</td>
</tr>
<tr>
<td>Ensure competitive advantages</td>
<td>9.1</td>
<td>16.5</td>
<td>27.8</td>
<td>46.6</td>
</tr>
<tr>
<td>Recruit new employees</td>
<td>4.9</td>
<td>13.5</td>
<td>34.0</td>
<td>47.7</td>
</tr>
<tr>
<td>Fulfil formal criteria for certification/adherence to norms</td>
<td>1.7</td>
<td>5.5</td>
<td>26.1</td>
<td>66.7</td>
</tr>
</tbody>
</table>

Source: First Civic Engagement Report 2012
N = 2,316, weighted values

Individual economic goals apparently have varying degrees of relevance for a company. Company culture is the most prevalent individual company goal (cf. Table 3–4). It plays a dominant role in improving the company’s public image and enhancing customer loyalty. Ensuring competitive advantages is, according to information provided by the companies themselves, of little importance as a motive for civic engagement as is the recruitment of trained personnel.
3.4 The areas of civic engagement

According to the definition provided in the First Civic Engagement Report, civic engagement can be found when external effects caused by companies create structures and on-going contributions and solutions for society, which are in turn seen as positive by society. Many fields and activities are subject to dispute in this conjunction: Can a charitable donation by an owner-operated company be seen as civic engagement on the part of the company? Are efforts to influence political policy in order to change legal regulations through lobbying civic engagement? Is the establishment of company day care facilities civic engagement, when they serve the purpose of making better use of the parents’ potential to work?

In light of the topics it covers, civic engagement on the part of companies can both contribute to the maintenance and further development of a free social order as well as the assumption of responsibility for tasks within the social order, for which state institutions do not (or no longer) feel responsible or for which they are not able to provide the necessary resources. Since the classification of civic engagement is not linked to motives, but instead to the (positive) consequences, actions taken in self-interest beyond the core business of a company can also be counted as civic engagement. In this conjunction, civic engagement often only benefits certain segments of society.

The question regarding the direction in which external effects are directed is not easily answered. Hence, the assumption of entrepreneurial responsibility for improving the legal framework of the markets in which the company is active can be interpreted as civic engagement in the sense that it provides information for the further development of a free market economy. It can, however, also be suspected of being an attempt to exercise influence by special interest groups on political policy through lobbying. In the first case, it could be seen as a positive external effect, in the other case primarily as a form of lobbying to ensure a position of power in the market, which would be tantamount to a negative external effect. It is understandable that companies will always seek to make their activities appear to be positive external effects. Hence, not all engagement can be labelled with the attribute “civic”, because the direction the effects take is not always positive for society.

The First Civic Engagement Report offers a definition concept that is primarily intended to prevent a too relativistic use of the term civic engagement and encompasses the core of civic engagement on the part of companies. Table 3–5 correspondingly summarises the characteristics of individual areas of civic engagement that have been identified and thus also offers an extensive overview of the boundaries of civic engagement. The overview from the First Civic Engagement Report does not claim to provide a complete description of the fields of engagement. On the contrary, it can serve as a basis for a broader discussion of the essence and manifestations of civic engagement in the form of corporate social responsibility and corporate citizenship.
It can be shown, using examples as illustrations, that companies that have an influence on the socialisation of children through measures to provide childcare and improve children's social environment are seen as being involved in civic engagement. However, according to the opinion of the Expert Commission, the external effect is only created by the positive impact on the children in the neighbourhood. If, on the other hand, the companies only invest in measures intended to ensure the loyalty and motivation of their own employees, this is per definition not a case of civic engagement. It is only an aspect of the company’s personnel policy.

The degree of participation in civic engagement by companies in Germany differs – according to the findings of the IW Future Panel company survey – considerably in each of the areas surveyed. In contrast to previous relevant studies on civic engagement, the survey shows that the area of education, kindergarten and schools is the most important area of civic engage-
ment, accounting for 75.3 per cent. Here, one also finds corresponding entrepreneurial activities related to the socialisation of children. Civic engagement in the area of sports and leisure activities, which accounts for 68.2 per cent (cf. Table 3–6), is only in second place.

Over half of the companies, namely 54 per cent, are involved in civic engagement in the field of social affairs/integration, according to their own reports. Nearly half of the companies (49.3 per cent) are also engaged in the field of art and culture. Still somewhat more than a third of the companies surveyed (36.0 per cent) indicate that they promote higher education, research and further education. The areas of health (33.1 per cent) and environment/aid in cases of catastrophe (33 per cent) are named almost as frequently. On the other hand, civic engagement on an international level and in relation to the topic of human rights plays a more subordinate role (19.8 per cent and 16.4) from the perspective of German companies. International guidelines such as the ISO-26.000 norm were drafted for use in this context and need to be jointly developed through discourse, since companies cannot fill the gap in the international regulations by themselves.

<table>
<thead>
<tr>
<th>Area of Civic Engagement</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, kindergartens, schools</td>
<td>75.3</td>
<td>24.7</td>
</tr>
<tr>
<td>Sports and leisure activities</td>
<td>68.2</td>
<td>31.8</td>
</tr>
<tr>
<td>Social issues/integration</td>
<td>54.0</td>
<td>46.0</td>
</tr>
<tr>
<td>Art and culture</td>
<td>49.3</td>
<td>50.7</td>
</tr>
<tr>
<td>Higher education, research, further education</td>
<td>36.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Health</td>
<td>33.1</td>
<td>66.9</td>
</tr>
<tr>
<td>Environment/aid in cases of catastrophe</td>
<td>33.0</td>
<td>67.0</td>
</tr>
<tr>
<td>International and developmental aid</td>
<td>19.8</td>
<td>80.2</td>
</tr>
<tr>
<td>Human rights</td>
<td>16.4</td>
<td>83.6</td>
</tr>
</tbody>
</table>

N = 2,546 – 2,594 weighted values
Source: First Civic Engagement Report 2012

3.5 The instruments and strategies of engagement

Financial donations are the predominant instrument

Companies can become involved in civic engagement in many different manners. The different instruments can be classified in three categories: corporate giving, corporate volunteering and corporate support (cf. figure 3–4). The category of **corporate giving** includes financial, material and product donations as well as providing access to the company’s infrastructure (e.g., office space or fleet of cars or trucks) and services free of charge. **Corporate volunteering** comprises granting employees leave for voluntary or non-profit activities. That can mean the involvement of employees in the THW (Technical Help Agency; German: Technisches Hilfswerk) or voluntary fire brigade as well as in projects initiated by their employers, such as voluntary
day in public institutions (kindergartens, hospitals or old-age homes), as well as reforestation efforts or refurbishing a sports field or a playground.

**Corporate support** is a designation used for the practice of exercising civil engagement through third parties; that means companies cooperating with others in order to become involved in civic engagement. These cooperation partners can be non-governmental organisations (NGOs), foundations, churches, welfare organisations, educational or cultural facilities, as well as parties, employers’ associations, unions and citizens’ initiatives. Companies choose this category when they require support in exercising a preferred form of civic engagement. The most popular instruments are found in the category of corporate giving. The expenditures for this purpose total 10.9 billion euros. Monetary donations are most frequently chosen in this conjunction. With a total of 8.5 billion euros, they account for 76.2 per cent of all expenditures.

![Figure 3–4: Categories and instruments of civic engagement](image)

<table>
<thead>
<tr>
<th>Corporate Giving</th>
<th>Corporate Volunteering</th>
<th>Corporate Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Financial support:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- sponsoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- fundraising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- cause-related marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Material and product donations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- sponsoring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- fundraising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Granting access to company infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Services free of charge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Leave for employees during working hours for voluntary activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Charitable employer management by providing the time and skills of employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Civic engagement on the managerial level in executive boards of NGOs or support associations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Corporate foundations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Social commissioning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- NGOs, international aid organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Welfare associations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Churches, religious institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Associations/voluntary organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local social, educational, health and cultural institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Social lobbying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Employers and entrepreneurial associations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Citizens’ initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Unions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Public administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Parties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Social entrepreneurship</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: First Civic Engagement Report 2012*

Corporate Volunteering – i. e., granting leave to company employees to serve the public good – is practiced by half of the companies surveyed as an instrument of civic engagement. With an estimated monetary value of roughly 22 million euros per year in Germany, corporate volunteering is, however, (still) of little relevance in actual practice.

**Shared responsibility through cooperation**

Many companies seek a qualified partner in order to become involved in civic engagement. 90 per cent of all civic engagement is practiced locally. This is also evident in the choice of cooperation partners. Companies mainly cooperate with associations and voluntary organisation that operate within the local surroundings of the company within the context of their
civic engagement. 59 per cent of the companies become involved in civic engagement through
or in associations and voluntary organisations, 37 per cent work with local social, education,
health or cultural institutions. Considerably less often – in the case of ten to twenty per cent
of the companies involved in civic engagement – cooperation with other parties involved in
civic engagement takes place, i.e., with employers’ or entrepreneurial associations (19 per cent),
churches and religious institutions (16 per cent), welfare associations (15 per cent), public
administration (14 per cent), foundations (12 per cent) as well as with other companies (11 per
cent). Civic engagement through NGOs and international organisations (10 per cent), citizens’
initiatives (9 per cent) and political parties (7 per cent) plays a more subordinate role for the
companies according to the results of the survey. Companies work least frequently with
unions within the context of civic engagement (1 per cent). It is, however, noticeable that the
frequency of such partnerships does not say anything about the intensity of the cooperation.
Hence, work with a foundation established by the company itself is certainly assessed differ­
ently than occasionally supporting the local football team.

**New potential through strategic orientation**

One in four companies is not able to explain its motives in a systematic manner or to even cite
a distinct motive. It is not surprising that small companies are found relatively often among
the companies that tend not to operate in a strategic manner. 53 per cent of all companies
involved in unsystematic civic engagement are small companies with fewer than ten employ­
ees. Thus, the share of small companies in the group of those who are involved in unsystematic
civic engagement is higher than their share in the group that is involved in systematic civic
engagement (46 per cent). In the case of large companies, the relationship is correspondingly
reversed. This is illustrated by Table 3–7.

**Table 3–7: Strategy of civic engagement according to company size**

<table>
<thead>
<tr>
<th>Size of the company according to number of employees</th>
<th>Per centage of the companies involved in civic engagement with the following number of employees</th>
<th>A: Per centage of companies that are involved in systematic civic engagement with … employees</th>
<th>B: Per centage of companies that are involved in unsystematic civic engagement with … employees</th>
<th>Strategy indicator A/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 9</td>
<td>48.1</td>
<td>46.2</td>
<td>53.0</td>
<td>0.9</td>
</tr>
<tr>
<td>10–49</td>
<td>47.5</td>
<td>46.6</td>
<td>44.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Larger than 50</td>
<td>4.5</td>
<td>7.2</td>
<td>2.1</td>
<td>3.5</td>
</tr>
</tbody>
</table>

*Source: First Civic Engagement Report 2012*

Not only the size of the company is an essential determinant for a strategic approach; the Civic
Engagement Report shows that manager-run companies are more inclined to be involved in
strategic civic engagement than owner-operated companies. In relation to the form of civic
engagement, financial support tends to be used less strategically, while the strategy indicator
in the case of corporate volunteering or granting access to space, machines and company
facilities tends to be high. Cooperation with public administration, political parties or the
unions is strategically oriented, while cooperation with NGOs, associations and voluntary
organisations is little strategic. In relation to the strategic orientation towards certain goals, the First Civic Engagement Report thus clearly indicates unexploited potential on the part of companies.

**Civic engagement benefits the company**

Companies do not only become involved in civic engagement for selfless reasons. 76.4 per cent of the companies involved in civic engagement are of the opinion that their activities for the benefit of society consolidate the company culture and, thus, indirectly contribute to employee satisfaction and motivation (cf. figure 3–5). The company’s reputation is cited as an additional motive (68.1 per cent), as is customer loyalty and the enhancement of customer satisfaction (46.6 per cent). Employers also seek to increase the attractiveness of the company location through civic engagement (45.1 per cent). The surveyed companies considered the benefit derived from civic engagement for the enhancement of market value (33.1 per cent) or to ensure competitive advantages (25.6 per cent) to be less important. Only individual companies believe that becoming involved in civic engagement contributes to the recruitment of employees (18.3 per cent) or ensures a continued supply of highly trained personnel (26.3 per cent).

**Figure 3–5: Benefit to company from civic engagement in per cent**

<table>
<thead>
<tr>
<th>Benefit to Company</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civic engagement is a part of our lived company culture</td>
<td>76.4</td>
</tr>
<tr>
<td>Improvement of the company’s public image</td>
<td>68.1</td>
</tr>
<tr>
<td>Enhanced customer loyalty and satisfaction as well as winning new customers</td>
<td>46.4</td>
</tr>
<tr>
<td>Increased attractiveness of the company/company location</td>
<td>45.1</td>
</tr>
<tr>
<td>Greater employee motivation and allegiance</td>
<td>44.3</td>
</tr>
<tr>
<td>Support for the qualification of employees and their social skills</td>
<td>42.1</td>
</tr>
<tr>
<td>Links between experts in our company, establish and maintain contacts</td>
<td>40.1</td>
</tr>
<tr>
<td>Enhanced confidence in the market economy on the part of society</td>
<td>39.7</td>
</tr>
<tr>
<td>Ensure local infrastructural facilities essential to the day-to-day operation of the company</td>
<td>33.9</td>
</tr>
<tr>
<td>Enhance market value</td>
<td>33.1</td>
</tr>
<tr>
<td>Ensure supply of highly trained personnel</td>
<td>26.3</td>
</tr>
<tr>
<td>Ensure competitive advantages</td>
<td>25.6</td>
</tr>
<tr>
<td>Recruit new employees</td>
<td>18.3</td>
</tr>
<tr>
<td>Fulfil formal criteria for certification/adherence to norms</td>
<td>7.2</td>
</tr>
</tbody>
</table>

*Source: First Civic Engagement Report 2012*

*N = 2,316, weighted values*
The Expert Commission has formulated a series of recommendations for taking action for those involved in civic engagement from the fields of politics, business and industry, citizens groups and civil society:

1. **Civic engagement enhances confidence and means shared responsibility.** As two forms of social capital, civic engagement and confidence are intertwined with each other. Social capital is a prerequisite for civic engagement, civic engagement, in turn, creates social capital. In order to further expand it, the commission recommends that civic engagement be better acknowledged by society and strengthened as a social practice. The state is called upon to initiate a broadly anchored discourse “For a culture of shared responsibility” on the meaning, conditions and challenges of civil society. Companies must be included in this process.

2. **Engagement requires reliable framework conditions.** Engagement requires reliable action on the part of the state in keeping with the principle of subsidiarity. The clarity of purpose, transparency, reliability and trustworthiness of the framework conditions defined by the state are essential prerequisites for the formation of institutional confidence and social capital. The voluntary nature of civic engagement prohibits that the conditions for it are unilaterally determined by state. Legal, tax and bureaucratic obstacles to becoming involved in civic engagement must be avoided or reduced.

3. **Education and employment enhance civic engagement.** The strong correlation between education, income, and civic engagement shows that educational and employment policy are also the best policies for promoting civic engagement and a culture of shared responsibility.

4. **More individual participation through shared responsibility.** The commission recommends that the options for individual participation by various target groups be improved; this especially includes the appreciation and support of civic engagement by people with immigrant backgrounds.

5. **Mobilise the potential of older people for civic engagement.** Not only policymakers and organisations that support social services, but also non-professional systems of providing aid to families and to neighbours, should do everything to enable older people to take on more personal and shared responsibility in the public sphere. A possible approach to this is offered by projects that see older people as a social resource.
6. **Recruiting and winning the allegiance of volunteers by associations.** The commission recommends that the Federal Government assign greater importance to the role of functionaries in associations, since they are the backbone of the autonomously organised infrastructure of civil society, particularly in the form of local associations.

7. **Companies are called upon to become involved in voluntary civic engagement.** The on-going development of the social market economy requires a social discourse in which communication with business and industry is essential. Conveying information, exchange, and social participation can, however, only take place on the basis of voluntary action, whereby it is not the motive that is decisive, but instead the actual effect.

8. **Support strategic civic engagement by companies.** All stakeholders in society are hereby called upon to support and improve information for companies:
   a) establish clearing offices for companies where they can access relevant information on forms of civic engagement and support options,
   b) form and enhance regional networks,
   c) create interfaces between companies and non-profit organisations, and
   d) generate more empirical knowledge regarding factors contributing to the success of civic engagement.

9. **Expansion of cluster and network policy.** Cooperation between companies and other parties can increase the rate of and the willingness to become involved in civic engagement. In order to facilitate the search for suitable cooperation partners for involvement in civic engagement, the commission recommends improving the transparency of civil society and promoting the expansion of a national cluster and network policy.

10. **Economic ethics in the training of managers.** The elite positions in a company have a special responsibility as executives for promoting increased competition, the further development of the democratic order and enhancing confidence in the social market economy. This requires them to be familiar with the regulative context that guarantees freedom, accountability and shared responsibility and that they are able to orient their actions on these principles. Instruction in these principles should be a mandatory part of the training of managers through courses on economic and business ethics.

11. **Improvement of knowledge.** Reliable predictions on the development and expected results of civic engagement as well as the ability to make decisions regarding the provision of support can only be based on good empirical data. This is also true in relation to the development of demand as well as for companies to measure the success of their efforts. The commission therefore recommends the expansion of empirical research on this topic.
Conclusion

In November of 2011, the Expert Commission completed its work and presented its report to the Federal Minister for Family Affairs, Senior Citizens, Women and Youth.

According to a decision by the German Bundestag from 19 March 2009, a Civic Engagement Report drawn up by an independent expert commission is to be compiled in every legislative period. The report is intended to support the development of sustainable civic engagement policy and help develop the existing potential for civic engagement in society. In addition to a general survey of the status and situation of civic engagement in Germany, the reports should also address special topics. In the First Civic Engagement Report, this topic was civic engagement on the part of companies. The potential for engagement policy in society and companies is thereby illustrated with an eye to the future. Reliable and target-group-oriented framework conditions for civic engagement are focused on as a central task of civic engagement policy – this especially applies to companies whose civic engagement in Germany can be seen in the tradition of the social market economy.

The Federal Government has drafted a detailed statement on the report by the Expert Commission. The report will be presented to the Bundestag accompanied by the Federal Government’s statement.
The members of the Expert Commission for the First Civic Engagement Report

Prof. Dr. Helmut K. Anheier
Director of the Centre for Social Investment (CSI) at the University of Heidelberg and Dean of the Hertie School of Governance GmbH, Berlin

Holger Backhaus-Maul
Director of the field of “Law, Administration and Organisation” in the Department of Education, Martin Luther University, Halle-Wittenberg

Prof. Dr. Sebastian Braun (vice-chairman of the commission)
Director of the Research Center for Civic Engagement at Humboldt University in Berlin

Prof. Dr. Georg Cremer
General secretary of the Deutscher Caritasverband, Freiburg

Edeltraud Glänzer
Member of the managing executive board of the IG BCE (Industry Union for Mining, Chemistry and Energy, German: Industriegewerkschaft Bergbau, Chemie, Energie), Hannover

RA Alexander Gunkel
Member of the executive board of the BDA (Federal Association of German Employers’ Associations, German: Bundesvereinigung der Deutschen Arbeitgeberverbände), Berlin

Prof. Dr. André Habisch
Catholic University Eichstätt

Prof. Dr. Michael Hüther (chairman of the commission)
Director of the Cologne Institute of Economic Research

Thomas Sattelberger
Chief Human Resources Officer at Deutsche Telekom AG, Bonn
This brochure is part of the public relations work of the Federal Government; it is made available free of charge and is not intended for sale.

**Published by:**
Bundesministerium
für Familie, Senioren, Frauen und Jugend
Referat Öffentlichkeitsarbeit
11018 Berlin
www.bmfsfj.de

**Authors:**
Acting Professor Dr. Dominik H. Enste,
Prof. Dr. Michael Neumann and
Teresa Schare
Business office for the First Civil Engagement Report:
Cologne Institute of Economic Research
Konrad-Adenauer-Ufer 21, 50668 Cologne
www.iwkoeln.de
Chapter 2: Dr. Lilian Schwalb
Humboldt-Universität zu Berlin
Unter den Linden 6, 10099 Berlin
www.for-be.de

**Available from:**
Publikationsversand der Bundesregierung
Postfach 48 10 09
18132 Rostock
Tel.: +49 180 5 778090*
Fax: +49 180 5 778094*
Telephone service for the deaf: gebaerdentelefon@sip.bundesregierung.de
E-Mail: publikationen@bundesregierung.de
www.bmfsfj.de

If you have any questions, use our service telephone: +49 30 20179130
Monday–Thursday 9:00 a.m.–6:00 p.m.
Fax: +49 30 18555-4400
E-Mail: info@bmfsfjservice.bund.de

**Art. No.:** 1BR23
**As of:** November 2012, 1. Edition
**Designed by:** www.avitamin.de
**Printer:** Bonifatius GmbH, Paderborn

The Prices mentioned are valid only in Germany.

* Each call from a German landline phone is charged with 14 cents per minute; a maximum of 42 cents/min. from German mobile networks.