



A Time for Dialogue on Business's Role

by John J Maresca

The efforts to stop the G8 summit in Genoa and other such meetings reflect a broader frustration about the inability of ordinary people to affect the policies, laws and regulations governing the world economy. The difficulty governments have in finding common ground compounds the activists' bitterness.

In my view these demonstrations are misguided. Efforts to influence events through confrontation and obstruction usually produce negative results. What is needed is constructive dialogue to identify specific aspects of the expanding world economy which can be controlled or channeled in more positive directions. Such dialogue should include governments, international organizations, businesses and responsible NGOs. Each of these has legitimate but different concerns, responsibilities and objectives.

A key element in this dialogue is that there is now an unprecedented opportunity to prompt a much more positive world role for the business community, because of business's own recognition of the additional considerations they must take into account in today's world.

In fact, a new concept of business is gaining ground in the world today—a concept of 'corporate responsibility'. This concept includes many aspects that can be grouped under the following headings:

Workplace issues: This includes gender and ethnic equality, fair pay for honest work, acceptable working conditions and employee safety. The last three are traditional concerns of business but have taken on new urgency. Human rights can also come under this heading—human rights up and down the business chain (if your supplier is violating human rights that's your responsibility too).

Protection of the environment: This has emerged in the last 10 to 20 years but is an important factor in business considerations.

Support for the community: This means philanthropy, a traditional activity of business, but it also involves respect for local cultures, which doesn't mean simply isolating such cultures and leaving them alone but rather offering them opportunities whilst protecting their traditions.

Good governance: This includes good management and rejection of corruption in every aspect of a company's operations.

Many individual companies are trying to integrate these considerations into their traditional business concerns. Other bodies are working to the same end—for example the UN Global Compact, the OECD, the International Chamber of Commerce, and the World Business Council for Sustainable Development. Such organizations are trying to fix ways

of measuring corporate performance in these areas, or are setting standards or goals for companies.

The corporate responsibility movement has been growing for some time due to such factors as: the development of a global economy, so-called 'globalization'; the instant availability of information; the rise in the general expectations of people in both industrialized and developing economies; and the increasingly active civil society sector?NGOs, pressure groups, and activists of all kinds.

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It must be recalled that business is not like other parts of society. Its essential function is to create wealth. The bottom line in business is to make a profit?if you don't, you cease to exist. I often speak to audiences of corporate chief executives, and it is difficult to show them that the values I am advocating will have a positive effect on their companies' bottom lines. So far, despite a great deal of research, it has not been possible to prove this conclusively, though evidence is growing in certain areas.

It has been shown, for example, that employees who work for a responsible company are more satisfied, and therefore tend to stay with the company longer. It has also been shown that it is cheaper for companies to keep employees than to find and train new ones. But connecting these elements and showing the effect on profits is difficult.

Some of the best examples of 'responsible' companies are those that have had their fingers burned because of unacceptable practices. Other companies are dragging their feet and, as in any walk of life, there are also a few scoundrels who will always want to make as much money as they can on the backs of other people.

Dialogue

I believe that it is time for dialogue to encourage this process. It can be done in many ways. The Business-Humanitarian Forum is one of many organizations which encourage this type of dialogue.

I have been a conflict mediator, and the first thing you learn when you go into a conflict area is that you are the only one who wants a solution. The warlords on either side want to keep the conflict going because it is in their interest and is part of their political mystique. Mediators know that the first and inevitable step is dialogue between the two sides. If you cannot bring that about you will never get anywhere.

The overall movement towards a new concept of business can make a significant difference in the world. It can be broadened and enhanced through dialogue and constructive cooperation much more effectively than through pointless confrontation.

In today's world, business leaders are increasingly aware that the business of creating wealth must also contribute to the good of society as a whole.

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