



BSR Conference 2009

Reset Economy. Reset World.

Public Policy for CSR: Best Practices

Breakout Session Summary

Wednesday, October 21, 2009 | 9:45 a.m.-noon

Speakers

- » **Richard Feinberg**, International Political Economy Professor, University of California, San Diego
- » **Arvin Ganesan**, Deputy Associate Administrator, Office of Congressional and Intergovernmental Relations, U.S. Environmental Protection Agency (EPA)
- » **Jonathan Jacoby**, Senior Policy Advisor, Private Sector Department, Oxfam America
- » **Virgilio Levaggi Vega**, Director, Central America, Haiti, Panama, and the Dominican Republic, International Labour Organization (ILO)
- » **John Viera**, Director, Sustainable Business Strategies, Ford Motor Company
- » **Kara Hartnett Hurst**, Managing Director, East Coast, BSR (moderator)

Highlights

- » Business has a role to play in strengthening government institutions and ministries of labor, which may not have the resources to enforce legal compliance on their own.
- » Even before companies endeavor to affect policy, there is plenty they can do to demonstrate a commitment to positive social and environmental progress in the areas where they operate.
- » Before engaging in public policy, companies should focus on internal alignment of their corporate social responsibility (CSR) strategies and government affairs activities.

Memorable Quotes

"Complying with labor standards is not only the legal and ethical thing to do, it also improves competitiveness. That's the 'business case' for labor standards" —Richard Feinberg, University of San Diego, California

"You have to move outside your four walls and go after those organizations that will have other insights, other perspectives. You want to avoid developing your policy in a vacuum." —John Viera, Ford Motor Company

"We need to strengthen ministries of labor, develop alternative policy coalitions, and bring CSR to Washington, D.C.—even though it takes time." —Jonathan Jacoby, Oxfam America

Overview

Feinberg began the session by discussing the potential for shaping public policy to drive responsible business practices and compliance with labor standards by creating incentives. In many cases, though ministries of labor and international brands sourcing from a region have the same objectives, they are working toward them in silos. In many developing countries, these enforcement bodies lack the resources and personnel to ensure compliance with local labor law, and they need to develop alliances to create incentives for improved compliance.

Feinberg illustrated this point with an example from BSR's DR-CAFTA Responsible Competitiveness demonstration project in El Salvador. In that country, international brands and the Ministry of Labor are auditing the same factories—those of relatively large, strategic suppliers—while smaller suppliers and other sectors with go unmonitored. This underscores the



need for interagency committees that create greater alignment, incentives, and distribution of resources between ministries of labor and international brands.

Ganesan discussed the relevance of public policy for business. He focused on two environmental priorities for the U.S. EPA and the Obama administration: climate change and chemical policy. Elevated focus on these two issues at state, federal, and international levels has the potential to create uncertainty in company supply chains. While many look to the government to assure chemical safety, there is growing consensus that management of chemical risk is failing.

Several panelists agreed that the business community has moved ahead of public policy on several key issues, especially climate change and energy. Leading companies are determining their own positions and strategies around these issues, and in some cases they are banding together to advocate for policy. The United States Climate Action Partnership is an example of a collaborative effort of businesses and organizations urging the U.S. government to enact climate legislation. Efforts such as these are needed to generate a broader conversation.

Offering a stakeholder perspective, Jacoby emphasized that companies should take a holistic look at the business associations they are part of to evaluate whether they are indirectly funding or supporting policies that conflict with their stated positions. Companies should align their messaging, policies, strategies, and actions, which may require greater communication between CSR and government affairs departments, as well as other parts of the company.

Viera noted “that good policy has to be good for business and good for society as a whole.” He recommended talking to all relevant parties to gain a broad, long-term understanding of policy implications.

As companies seek to align CSR strategy with policy, Viera advises establishing which principles and values your company supports, and then determining what kinds of policies will support those principles. Before stepping into the policy realm, however, there are many ways companies can operationalize and implement those principles through their supply chains.

Notes Sponsor

