

## Corporate PR strategies

*“Go to the WEF to hear what they want you to know. Then come to us to hear what you should know”*

Just one hour before the Public Eye on Davos opened its panel on Corporate PR Strategies, the WEF held its Open Forum entitled “How can Business Support the Global Compact?” as if to underline the analyses presented at the Public Eye. The WEF's Open Forum itself is a PR strategy of the WEF to deflect criticism that it is not open to the public and not interested in dialogue. A carefully selected panel which consisted of heads of corporations, a minister of the Swiss government, an academic and one NGO (all men and all from the North) sought to justify the business community's lobbying efforts against putting any regulatory bite into the Global Compact, membership of which they use to illustrate their self-professed commitment to social responsibility and accountability.

Discussion at the Public Eye panel also focussed on the Global Compact, but here the general sentiment was that without mechanisms of accounting and compliance, the Compact was of little value.

Peter Eigen of Transparency International began by pointing out that corporations have long accepted the practice of bribery as the cost of doing business in some markets, and have received state support for this because they have been allowed to deduct the money they spend on it from their tax bill. As long as corporations are willing to continue this practice, Eigen argued, they cannot be said to be part of the struggle to bring an end to corruption, and therefore are not acting in a socially responsible manner.

Isabela Figuero described the strategy of Arco, an American petroleum company, to secure oil exploration rights in Ecuador against the wishes of the local indigenous communities there. The company's strategy included the old-fashioned techniques of bribery, slandering opposition leaders and threatening them, all the time professing good corporate citizenship. However, she also described how indigenous groups used the Ecuadorian courts to battle with the company, highlighting the role national regulation can play in securing corporate accountability when the state is willing and able to take this role.

Attention then turned to the UN's Global Compact and whether this should be regarded as a mere PR strategy of corporations or as a meaningful step towards building corporate accountability. Irene Khan, Amnesty International Secretary-General, spoke of Amnesty's decision to be part of the Global Compact, as well as part of the WEF. Her assessment of corporate attitudes towards the issue of corporate accountability, reflected in what she had heard and seen at the WEF this year, and as evidenced in the terms of the Compact, is still one of “trust us to regulate ourselves.” However, with the recent publication of the WEF-sponsored survey which showed that a large majority of people around the world had little confidence in the ability of corporations to deal with the problems of the future, Irene noted that the optimism that had characterised last year's WEF was gone.

Still, listening to corporate CEOs at the WEF's Open Forum, one heard again and again that business is still not ready to accept any form of binding regulation on the issue of accountability. The fear of “over-regulation,” and of “top-down, rule by bureaucrats,” seemed omnipresent. The Public Eye panel was clear on one point: socially responsible business practices will cost companies money and that this extra cost can then put a company at a disadvantage vis-a-vis competitors. Therefore, binding regulations would create a level playing field so that those companies who act responsibly would not be forced out of the market. For many of the companies represented at the Open Forum, however, it seemed that they feared admitting that self-regulation was not enough: to do so would open the floodgates to government intervention and risk losing the gains they have made over the past decades in discrediting the state and its role as regulator.

Kenny Bruno of Earth Rights International summed up the day's discussion by stating that trust in corporations cannot be rebuilt through voluntary measures alone. The corporate track record is such that only with mechanisms of reporting and penalties for non-compliance can accountability be assured, and trust returned.

Simon Parker