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The post-modernist debate of recent years has sapped our understanding of what truth is. The crisis in the credibility of American capitalism, even when skilfully removed from the headlines by war fever, leads us to ask once again the oldest of questions "Who shall guard the guardians"? If the capitalism from which we all now benefit grew out of the Protestant Ethic, can it retain its potency when ethics and religion have been banished from the public sphere of life? Nobody expects a miraculous conversion of all those who practice capitalism, but there may be minimum levels of behaviour below which public faith in the whole system is undermined. For those who argue that we are in the middle of a shift in paradigm from an industrial to a knowledge society all this is of more than a matter of passing interest. Success, both in business and in public affairs, may come to rest not so much on the adoption of ethical codes, but on the internalisation of an ethos of openness and truth that regenerates trust.

I am persuaded of the argument that the events of the last twelve months mark a fundamental shift in the way in which Public Affairs should be conducted in Europe. Structures and deference across the developed world are collapsing. We can measure this in terms of the collapse of trust. For many years we have been used to the fact that the public do not trust their politicians, journalists or estate agents. Now they appear, no longer to trust either their priests or their accountants. There is a logical sequence in which a general climate of fear leads to anger and then to disengagement from the political process, and expresses itself as instability in public attitudes. The Bali bombing, dramatic falls in stock markets, US businessmen in handcuffs, liquidity problems for insurance companies and pension funds, rushed new corporate governance legislation out of Washington and the fear of a 911 outrage in Europe, all add fuel to the bonfire of radical insecurity by which our lives are now lit.

At a recent ECPA Management Board Seminar I posed some simple questions to which I do not have answers. Are Democracy and Capitalism inseparable? Is there a simultaneous crisis in both generated by the loss of trust? Have we used up our collective reservoir of trust? Can it be replenished? Are we facing a systemic challenge to the practice of Public Affairs? Do we need to alter the way we conduct public affairs in Europe? Even if desirable, is an alternative model of public affairs possible? Do we have a responsibility as the public affairs function to be proactive on this issue at this moment?

Historians will regard these months of business scandal as a seminal moment and will point to the failure of the public affairs function to carry warning messages into the corporation from the world outside stock market obsessed boardrooms during the morally-challenged boom of the late 90's. Whatever their private wishes, governments will almost certainly feel bound to re-regulate the frameworks of market capitalism. The subjects of a thousand recent seminars on soft law, codes of practice and private institution building will be looked at again. The governments themselves will have to learn new tricks, as most of the framework construction will have to be global and intergovernmental - global accounting standards, global reporting and global policing of money laundering.

What then of Corporate Social Responsibility (CSR) in this fraught atmosphere? It is an idea about to be sorely tested as to its intent. Governments will want to use it as the starting point for a frame work of re-regulation, upsetting those corporations who back CSR as a way of fending off government intervention. If "shareholder capitalism" is convicted of having abused shareholders in the late 1990's, despite centuries of experience, what are the realistic prospects for making the infinitely more fragile "stakeholder capitalism" work? Companies must learn that the safest form of conduct is to actually be what you say you are.

There are hard truths here for the practice of public affairs by corporations and NGO's. Machiavelli would have understood that truth may be a sensible tactic in crisis management. The abolition of privacy by technology means that truth may be simply the most economic way of conducting business. Good public affairs practitioners learnt many years ago that lying is counter-productive in the Brussels village, but many of the arts of public affairs involve tampering with the timing of truth. We must expect the practice of public affairs to be once more in the firing line unless we can persuade key audiences that public affairs is not an art which thrives only in the dark.

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