

Article for the Journal of Public Affairs
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Truth and Public Affairs

When asked what he feared most, Harold Macmillan is supposed to have replied "Events, dear boy events". For the corporate public affairs practitioner, events have been coming thick and fast in recent months. September 11th, the shift in tactics of the anti-globalisers and new American attitudes to the rest of the world were complicated enough without the post-boom skeletons of corporate wrong doing now rattling their chains across our daily newspapers. We can all devise immediate, ad-hoc responses to particular events, but there must come a moment when we have to ask ourselves if the sum of the parts is greater than the whole. Are we facing a challenge to the practice of Public Affairs? Do we need to alter the way we conduct ourselves? Alternatively is this just another case of barking dogs that can be safely ignored by the corporate caravan.

Philip Gould, the Prime Minister's favourite guru, an architect of New Labour and no mean slouch at spotting a trend, was in fine if gloomy form when he addressed the ECPA Management Board lunch in the Carlton Club in London in late June. He was in no doubt that some kind of fundamental shift was underway and that corporate leaders, along with political and religious leaders, needed to recognise what was happening and to adapt their attitudes and behaviour. He saw structures and deference collapsing and could measure this in terms of a collapse of trust. All the great bastions of certainty seem suddenly vulnerable. The Roman Catholic Church and the accountancy profession are just the two latest victims of this trust drought. While politicians credibility fell in the 1990's that of business leaders soared. Now the revelations from WorldCom, Xerox and the rest place a question mark not only over the reality of the "goldilocks" economy in America of the 1990's, but also over the wider validity of business claims to be a model for the reinvention of government. Everywhere can be heard the sound of individuals dusting off their 1970's personas and rewriting their ideological curricula vitae. The "Third Way" is now short both of morale and of governments. The very post-ideological consensus that was supposed to guarantee political success has bitten its most enthusiastic proponents in the ankle. Europe seems to have swung to the Right in a way which has surprised traditional Conservative and Christian Democrat parties. It has swung not on grounds of economic competence, but on issues largely ignored by the traditional political parties.

The political classes have temporarily lost the plot, while public attitudes show a new and frightening instability when viewed from the cabinet room or the boardroom. Philip Gould characterises this as a response in three stages. Fear, generating anger and leading to political disengagement. He identifies a gap between governments and the people. If citizens are suspicious of the public/private interface this is particularly dangerous for the practice of Public Affairs, which makes its living on this boundary. We have become so used to a model of electors as consumers choosing between the products which are offered in the market place that we may be ill prepared for political responses based on fear and anger. Philip sums it up by saying "People want to be listened to, but they also want to be lead."

Everywhere we look governance structures are under stress and subject to patchwork reform. In the United Kingdom context the reform of the House of Lords has once again been cast back into the melting pot and the government is about to embark on an experiment in English devolution which is pre-eminently a journey to an unknown destination. In Germany the angst of the Lander is driving the German demand for a Competence Catalogue to be incorporated into any new European Union constitution. Teaching a recent ECPA programme in Brussels in our "Dealing With the New Brussels" series, I was struck by the extraordinary fluidity of the institutional agenda under the twin influences of enlargement and public disillusion with European structures. The European Convention has been gathering most of the headlines, but I suspect that the more important changes will emerge from the new structures and practices of an institutionalised European Council and the enhanced role of the Council Secretariat in a team Presidency designed to last three years. The European elite is haunted by a possible second Irish rejection of the Treaty of Nice, by consistent low turnouts in elections at all levels and by a sense of unpredictability and violence symbolised by a political assassination in the most stable country in Europe. The situation is clearly grim enough to prompt innovation, but starts from a base of so many half-hearted reforms that simplification may escape the authors of a new treaty. The starting point of any new structure, which could be explained to electorates, would require the elite to tell the truth about the existing system. This is difficult given that in recent years the European

Union has been constructed out of shards of national truth randomly pressed into service in constructing the European House.

The difficulties of continental construction in Europe have not served as a deterrent to African aspirations. Fifty-five states met in Durban to convert the Organisation of African Unity into the African Union. It is legitimate to doubt how much real truth underpins this particular adventure. Meanwhile much of the global political elite is packing its bags for the World Summit on Sustainable Development in Johannesburg in a mood of gloomy resignation. They know that such global governance as we currently have is ineffective. Even where they know how we could improve it, they can not find the political path to successful reform because the way forward is blocked by an accumulation of half-truths, bureaucratic special pleading and determined lobbies.

If this malaise was limited purely to the political world, it might be soluble by political will alone. In fact the dysfunctions of our political structures are a reflection of deeper problems of the world we are in now. I spent a week in early June helping to moderate the fourth Religion, Science and Environment Symposium in which two hundred and fifty theologians, scientists and journalists sailed up the Eastern Adriatic from Albania, culminating in Ravenna and Venice with a joint declaration by the Ecumenical Patriarch and the Pope on environmental ethics. The fate of the Western Balkans was a clear reminder of what happens when political elites fail to innovate or to tell each other the truth. What was most noticeable was the way in which both scientists and theologians struggled to turn ethical statements into an environmental ethos by which life might be lived in the world of power and conflicting pressures. While sharing an analysis of the dysfunctional nature of the planets political systems, both churchmen and scientists however shied away from direct involvement in the complexities of Johannesburg.

We may come to regard these months of business scandal as a seminal moment. Historians may debate the failure of the public affairs function to carry warning messages into the corporation from the world outside stock market obsessed boardrooms. What is certainly true at the time of writing is that the continuing crisis of confidence adds fear of economic downturn and dramatic currency fluctuation to the broader post-September 11th climate of fear. 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, not least in the area of intergovernmental activity, as most of the framework construction will have to be global - 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 resisting 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? CSR Europe has just launched the European Academy of Business and Society with the commendable aim of getting CSR issues taught properly at universities and business schools. It will not surprise regular readers of this column that I believe this should be seen as part of a wider effort to teach public affairs as a cornerstone discipline of management studies. Wes Pederson, editor of the Public Affairs Review in Washington, contributed a powerful piece to the Public Affairs Newsletter, arguing that "The next big thing in PA" was going to be the political skills of the CEO. As with all successful public affairs the key is empathy. CEO's will need to have a degree of respect for the processes of government with all its constraints and compromises, if they are to be effective.

What then is truth in public affairs? For the CEO hauled before a congressional or parliamentary committee, truth may be merely a sensible tactic in crisis management. If you take the view that the media and governments are now so intrusive that there is no privacy, either corporate or personal, truth may be simply the most economic way of conducting business. Although 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 the key audiences that public affairs is not an art which thrives only in the dark. The Religion Science and the Environment Symposium visited the great Byzantine churches of Ravenna in order for the Ecumenical Patriarch of Constantinople to celebrate the Orthodox liturgy in churches which have been part of the Roman Catholic communion since the Great Schism of 1054. The churches remain magnificent but they are now lacking the huge golden

screens behind which the key part of the Orthodox liturgy is traditionally conducted. The symposium was therefore treated to a full three-hour liturgy conducted in full gaze of the public. The magic was different but it still worked.

The post-modernist debate of recent years has sapped our understanding of what truth is. Now we find ourselves asking 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. So as public affairs practitioners contemplate life in the firing line over the coming months, we can console ourselves that we may be establishing patterns of behaviour which become the norm for the next two hundred years!