



“THE PUBLIC AFFAIRS FUNCTION AS CHANGE AGENT”

Speech to the European Enterprise Summit, London 4/5 November 2001

15th October 2001

1. Brief description of the work of the ECPA in institutional change.

The European Centre for Public Affairs was established at Templeton College, Oxford in 1986 with a mission to 'record, analyse and improve the conduct of public affairs'. It involves a range of corporate member companies and of academics teaching public affairs in Universities and Business Schools across Europe. It teaches both public and commissioned programmes and has published extensively on best practice in public affairs at national, European and global level. It has in recent years taken a particular interest in environmental and social issues and the questions of globalisation and global governance.

The public affairs function exists on the boundaries between business, government and civil society. When operating properly, the public affairs function represents corporations to the world and, arguably more importantly, carries messages from the world into the corporations. It is key to the conduct of successful public affairs at this level, that practitioners can analyse and anticipate change in the environment in which their companies operate. In successful companies, senior public affairs people have direct access to CEO's. Public affairs is also practised by civil society and the not-for-profit sector and in a different way by governments. ECPA programmes have established themselves as a safe space in which a serious analysis of decision making can be entered into by all parties. Good public affairs is intimately linked with the creation of corporate strategy and is a great deal wider than the act of lobbying. It has been rightly said that 'one lobbyist is an offence against the public good: but a hundred lobbyists are a guarantee of good governance'. Public affairs practitioners, whether corporate or from civil society, help to shape the democracies in which they operate. This is particularly the case in supra-national constructs, such as the European Union and the institutions of our emerging global governance. It would be a major contribution to enterprising Europe if the intelligence, energies and resources of the public affairs function could persuade senior management to be pro-active in strengthening the European, and indeed the global, polis at this time of substantial institutional change and paradigm shift.

2. Needs, Challenges and opportunities.

There is an urgent need to spread the best standards of public affairs practice. This is particularly important in the area of Corporate Social Responsibility, which is currently patchily pursued in the different national contexts of the European Union. It would be a huge advance if its current Anglo-Saxon popularity could be adapted and transposed for wider use in mainland Europe.

The public affairs function needs to overcome a continuing perception of public affairs as solely concerned with lobbying on behalf of the narrow interests of corporations. Corporations need to take a more responsible and holistic approach to their relations with, and duties to, society at all levels.

The current fluidity of European and global structures offers a major opportunity. A parallel might be drawn with the work of Counterpart in sponsoring 'analogue forestry'. Analogue forests, created in abused marginal forest land across the developing world, are not the same as natural, first growth forests. However, they mimic such forests on the basis of understanding the dynamics of natural forest growth. By extension the institutions which we create at European or global level, are not natural political structures in the sense we have become used to with nation states. There are however, good and bad ways of creating supra-national institutions. As business comes to recognise that the fundamentalist rhetoric of twenty years of Davos is inadequate, it should take up its responsibilities to creatively help shape transparent and democratic institutional frameworks. Corporations need to be encouraged not to replace governments, with all the attendant political risks, but to supplement governance.

3. Successful solutions and strategies for progress.

- There are numerous examples of successful collaboration between business and civil society organisations contributing to good governance. The work of Unilever and WWF is an obvious case. The ECPA is currently seeking funding for a research project benchmarking the conduct of public affairs in six trans-national corporations and six globally organised ngos. Part of this research is designed to establish the boundary conditions of success in such creative collaboration.
- There is an urgent need to package the various progressive initiatives currently being developed across Europe into a coherent and replicable strategy for every corporation. Current corporate involvement is patchy, nationally differentiated and sectorally diverse. Many companies find themselves in the potentially unstable situation of being good, or very good, at part of the CSR agenda, but correspondingly vulnerable to attack in areas which have not attracted their attention.

4. The Public Affairs Function as Change Agent: ECPA activities

- The ECPA is working with various member companies in this field. It will showcase the results at its Annual Conference in Leuven in February in 2002.
- It will examine the possibility of publishing contributions in a future edition of the Journal of Public Affairs
- It is a content partner with the Euractiv.com website

5. Synergies

A strong public affairs input to the Enterprise Strategy would fit elegantly into the discussion initiated by the European Commission's White Paper on Governance in the European Union. In particular, there is an urgent need for the reform of EcoSoc and the updating of the Social Partners model in the European Union. There is a similar urgent need for creative business input into issue of global governance at a critical moment in the debate on globalisation. Debate about the Future of Europe can no longer be seen in isolation from global developments. The role of business think tanks and organisations such as the European Roundtable and the European American Industrial Council need to be given greater focus if the enterprise strategy is to be a success.

6. Specific recommendations for implementing the strategy

- There is an urgent need to increase the quality and quantity of public affairs education in management education generally. This should certainly involve the European Foundation for Management Development.
- The ECPA has the intellectual resources to teach more programmes in this field and would welcome proposals for financial support and collaborative teaching.
- Active practitioner participation in the creation of Case Studies for teaching purposes needs to be encouraged
- The debate about Corporate Social Responsibility needs to be more securely anchored in the debates about institutional change at European and global level.

