

Charter on Social Responsibility for Companies in the new era **Dr. Michael Hopkins, August 2017**

A. Preamble

We are in a crisis in the world right now. A war on Islam from USA led by a President unfit to serve. The UK blindly going along the BREXIT path without having considered the future economic and social disaster. Russia and China ascendant as democracy falters.

Companies were given tremendous power after the Fall of the Berlin Wall to conduct business more or less how they wished. Yet longer term events severely affect most companies bottom line as the global crises start to swing out of control.

Yet, Companies are not individuals and, in theory, should have little to do with democratic processes. But the Supreme Court in the USA, through Citizen's United, gave companies untold power, as much as individuals, to sponsor election candidates without revealing their names. The Koch brothers had a field day as detailed in Jane Mayer's book on 'Dark Money'.

Nonetheless companies have amassed huge fortunes for their owners and shareholders in the last two decades. Wealth equals power thereby allowing them to influence Government policy simply through their huge wealth that cannot be ignored by mere elected officials.

Since the early 1990s we have seen the rise of movements to control companies under the name of CSR aka Sustainability. The appeal was to each of a company's stakeholders to be treated ethically or responsibly. But as Ricarda wrote to me recently¹ 'It feels like CSR was for fighting a sneeze, now we are facing cancer stage 3.9'.

The lack of involvement by companies in the social good has nevertheless hurt companies. For instance, Bill Clinton left a robust economy in the year 2000 that let in George Bush Jr (who brushed aside Al Gore's legitimate claims to the Presidency) who then proceeded to enter expensive and useless wars whose effects we feel until today. Companies may have benefitted from arms sales but little else. Then in 2008 Obama came to power and managed, despite total resistance by the Republicans, to pull the USA from a disastrous recession into once again a robust economy. Car companies and financial institutions did well but small business and private sector wages stagnated. But his inheritance led, mysteriously, to a Present who is clearly 'unfit to serve' through hacking on a scale that took the election away from Hillary Clinton.

In the above processes, companies were rarely to be seen at the policy level yet were consistently hurt by the recessionary Presidents. Never have the cards of incompetence been revealed so quickly as we have seen in Russia's unwitting agent Donald Trump. Finally, after attacking the Muslim world and invoking a travel ban on legitimate visa holders has led to serious action and major US reputational damage " 97 major firms in the US² – including

¹ Private communication Feb 2 1017

² <https://thenextweb.com/us/2017/02/06/google-facebook-uber-and-nearly-100-others-team-up-to-take-on-trumps-travel-ban/>

tech companies like Apple, Airbnb, Facebook, Google, Intel, Microsoft, Netflix, PayPal, Twitter, Uber and Y Combinator – joined hands in filing an amicus brief opposing Trump’s travel ban, which he continues to support despite legal resistance. The brief, filed with the US Court of Appeals for the 9th Circuit, stated that the companies “believe the order to be unlawful, discriminatory and harmful to business in the US.”

Not all issues are on the other side of the Atlantic. The BREXIT vote is disastrous for the UK through its loss of a 500 million market with zero trade barriers. Financial institutions that have done so well under the Conservative Government are now scattering as the implications of change sets in. While in France the toxic message of the Far Right from Marie Le Pen is shook previously held values of Liberté, égalité, fraternité! Happily the new French President Macron has taken a firm hold on France, and resisted the many Russian hacking attempts to disrupt the political process.

So could the private sector, and companies in particular, do more? Yes. I think that business could help the debate and thereby help themselves through addressing the key society issues that affect them. I suggest that they could do that through a new ‘Charter’ for companies under their CSR/Sustainability interests that expands their role from focusing upon key stakeholders to enter the wider policy discourse.

Others have also suggested something similar. For instance Beth Jenkins noted³ it was 20 years ago when her colleague Jane Nelson, Director of the Corporate Responsibility Initiative at the Harvard Kennedy School, introduced her ‘famous “three circles” diagram – suggesting that business could play a positive role in society through core business, social investment, and public advocacy and policy dialogue. In that time, her last circle has received relatively little attention’.

So what could a CSR/Sustainability ‘Charter’ for companies contain?

B. A Charter for Companies

Each company is invited to write an annual statement on how they see their concerns and potential influence on society as part of their CSR/Sustainability Strategy. It could be for one or more of the following issues both in their HQ and main countries where they are active. Or it could be something different. The idea is to gain support from companies in terms of ideas so that they can be part of the democratic process to try and improve the societies in which they operate.

1. Democratic participation (human rights, freedom of the press, rule of law, freedom of association) and the new cybernetic world

³ Beth Jenkins, Insights Director, Business Fights Poverty:
<http://community.businessfightspoverty.org/profiles/blogs/beth-jenkins-a-new-era-of-corporate-statesmanship>

2. Poverty (both relative and absolute) and income distribution
3. Illiteracy
4. Appropriate skills and human capital
5. Ethical treatment of stakeholders
6. Key areas of interest to work for the social good with other companies
7. Climate change
8. Anti-terrorism
9. Anti-racism
10. Immigration including international migration and refugees
11. Cybernetic control
12. Robotics
13. Education and skill development
14. Health and life expectancy
15. Anti-corruption
16. Quality of jobs and Un-and under-employment
17. Youth alienation
18. Hunger and famine
19. Defence (military, terrorist, drug industrial complexes)
20. Ethical treatment of stakeholders

You will note that many of these issues are also in the SDGs of the United Nations. So each company may wish to link the two reports into one. I suggest a short annual report of ten pages maximum with links to the company's activities as discussed on its website. I would also suggest that each company produce such a report toward year end, say Nov 16th, so that it can be used for reflection and potential action in the following year.