

Moving from Fair Trade to Fair Business?

Peter Sellick reports on the recent Corporate Social Responsibility (CSR) Conference at Aston University Business School.

“Will the United Nations one day proclaim a ‘Right to Good Businesses’ for the world citizens, alongside other human rights?” was a question asked at the CSR Conference at Aston University Business School in June (in partnership with Birmingham Centre for Business Ethics, BCBE - a previous sister organisation to CIGB). How can businesses contribute more to ‘the common good and social value’?

The CBI have similarly been asking whether the UK ought to have Business Covenant that outlines business's obligations to society and what business can expect from society and Government in return (Lord Digby Jones, 5 August BBC Radio 4). “We need something that restores trust in the companies that help to create so much of the ‘wealth’ for a thriving society.”

The Birmingham CSR Summit recognised that both ‘carrot and stick’ are necessary to make changes to businesses (as with eg Minimum Wage). Unless Social Responsibility is a matter of tax or legal compliance, it is unlikely to get onto the highest Board’s agenda. Rewards, on the other hand, can be more effective at changing behaviour as people are good at finding loopholes in restrictive laws.

How can encouragement be brought to bear on companies such as law firms, call-centres and business services? These businesses have considerable impact on society. The Ethical Consumer Research Association, publishing ‘Ethical Consumer’, rates companies producing consumer goods. What sort of regular awareness can be brought to other types of businesses ?

Marcello Palazzi spoke at the conference of his experience as leader of the Progressio Foundation which helps develop the ‘civic economy’. He gave an example of the ‘Benefit Corporation’, a new legal constitution in some parts of the US. Instead of focusing narrowly on shareholder value, Benefit Corporations write responsibility towards all their stakeholders, and their notion of broader responsibility, into the legal definition of the business. There are now 1000 Benefit Corporations in 20 States in US, including law firms, recruitment companies and telecoms – as well as Ben and Jerry’s Ice Cream. Their slogan is ‘**companies competing not only to be the best *in* the world, but the best *for* the world**’.

