



THE PUBLIC INSTITUTIONS AS A KEY PLAYER IN THE CC DIFFUSION

Regional Meeting for GC Networks in
Europe
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Agenda

- Key issues presentation
- Overview of International Experiences
- Debate
- Concluding Remarks



The Challenge of Sustainability

1/2

Over the next half-century, we could be:

- A world in which economic and social needs are balanced with the capacity of the earth's resources and ecosystems—or a world impoverished by environmental degradation, where poverty and hunger still afflict a billion or more people.
- A world that properly values water and manages it sustainably—or one that faces widespread water scarcity.
- A world making the transition to renewable energy sources—or one still dependent on fossil fuels, and where climate change is destabilizing many nations.



The Challenge of Sustainability

2/2

- A world in which preventable diseases have been largely eliminated—or one in which millions of children continue to die annually because they don't have access to clean drinking water and adequate sanitation.
- A world of responsible consumption and production patterns—or one still inundated by waste and poisoned by hazardous materials.
- A world where rich-country markets are fully open to labor-intensive products from poor countries, and where trade is making significant inroads against poverty—or a world that remains deeply divided between rich and poor.



Why Should Public Authorities Encourage Corporate Citizenship?

- Public sector can contribute to shaping a fair and balanced process of globalization only by working together with private and civil society sector.
- Incorporating corporate social responsibility issues into national policies can be seen as a first important step towards a new, shared governance approach;

Other reasons:

- CC play a very important role in strengthening national economic competitiveness and social development.
- Importance of the CC local dimension



Which roles does public sector play in promoting CC?

- Public authorities as policy makers
- Public authorities as corporate stakeholders
- Public authorities as corporate owners



Corporate citizenship dimensions

Two general dimensions of corporate citizenship:

Compliance with norms, rules and standards, beyond a bureaucratic approach

Proactivity, intended as company's support to civil, social and environmental development



Public sector role in supporting CC practices 1/2

- **Mandating** performance in the form of law and regulation, providing for inspection and control and penalties for compliance;
- **Facilitating** the adoption of corporate social responsibility practices by offering cash and tax incentives, technical assistance, nonbinding guidance, and codes; stimulating dialogue between business and civil society; and raising public and corporate awareness;



Public sector role in supporting CC practices 2/2

- **Partnering** with business by combining public and business resources to achieve economies of scale, leverage resource commitments to adopt corporate social responsibility practices, cross-fertilize ideas, and develop and disseminate best, engage the private sector in public policy processes;
- **Endorsing** corporate social responsibility practices with political and public recognition, support, publicity, praise, awards, and encouraging leadership by example
- **Acting** in a responsible way in managing their business and promoting CC among public corporate stakeholders.



Soft power policies - Italy

- Soft Power Policies promoted especially at local level (regions, municipalities, public authorities, exc.);
- No coordination among the policies;
- Policies output and outcome hardly measurable: they seem to be scarce;
- Need to improve cultural issues.



Concluding remarks

- Is CC filling governance voids?
- Can public sector promote CC without interfering with economy?
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How can Public Sector Encourage Corporate Citizenship?

Soft power policies.

Soft power is a term used in international relations theory to describe the ability of a political body, such as a state, to indirectly influence the behavior or interests of other political bodies through cultural or ideological means.