

The experience of Business in the Community's operations in the U.K. over the last 20 years

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Business in the Community-k azkeneko 20 urteetan Erresuma Batuan buruturiko jardueren esperientzian oinarrituko da aurkezpen hau. Business in the Community (BITC) irabazi asmorik gabeko erakundea da, liderra enpresa alorrean. Haren 800 kideek gizartearen gainean duten eragina hobetzeko konpromisoa hartu dute. Hona BITCren eginkizuna: enpresa komunitatearekin batera lan egitea eta, gizartearen gaineko eragina hobetzeari dagokionez, enpresak inspiratu, konprometitu eta laguntzea.

Giltza-Hitzak: Enpresa Komunitatea. Sektore Pribatua. Eragina Enpresetan. Gizartea. Ingurumena. Politikak Zehaztea. Teknologia. Korporazioen Erantzukizun Soziala.

La presentación se basará en la experiencia de las operaciones de Business in the Community en el Reino Unido en los 20 últimos años. Business in the Community (BITC) es una organización sin ánimo de lucro con liderazgo empresarial, cuyos 800 miembros tienen el compromiso de mejorar su impacto sobre la sociedad. La misión de BITC es trabajar con la comunidad empresarial, inspirar, comprometer y apoyar a empresas en la mejora de su impacto sobre la sociedad.

Palabras Clave: Comunidad Empresarial. Sector Privado. Impacto Empresarial. Sociedad. Medio Ambiente. Definición de Políticas. Tecnología. Responsabilidad Social Corporativa.

La présentation se basera sur l'expérience des opérations de Business in the Community dans le Royaume Uni au cours des 20 dernières années. Business in the Community (BITC) est une organisation sans but lucratif jouissant d'un leadership patronal, dont les 800 membres ont pris l'engagement d'améliorer son impact sur la société. La mission de BITC est de travailler avec la communauté patronale, d'inspirer, d'impliquer et d'appuyer les entreprises dans l'amélioration de leur impact sur la société.

Mots Clés: Communauté Patronale. Secteur Privé. Impact Patronal. Société. Environnement. Définition des Politiques. Technologie. Responsabilité Sociale Corporative.

I am delighted to have this opportunity to contribute to the **XVI BASQUES STUDIES CONGRESS on Sustainable Development**. My contribution is based on 10 years as Managing Director at Business in the Community in the UK, my experience in working with the leading corporate responsibility organisations globally and my current role as Associate Director based in Wales

First a word of introduction on Business in the Community. BITC is:

- A business-led, not for profit organisation whose 800 members make a commitment to improve their impact on society.
- BITC's mission is to work with the business community, inspire, engage and support companies in improving their impact on society.
- BITC is 23 years old and has seen membership growth of around 50 new businesses per year over the last 5 years.

BITC members commit to

1. Integrate responsible business practices throughout their operations
2. Collaborate with other companies to tackle issues of disadvantage/key social issues
3. Inspire and involve the wider business community in improving business practices

The staff team that now numbers over 400 works to support members and to promote responsible business practices and sustainable development across the UK.

The theme for my presentation is the changing nature of relationships between business, government and civil society organisations and at the outset I want to recognise the important work being undertaken on this theme by Esade Business school in Barcelona. In tackling this theme I would like to draw on the history of Business in the Community since it was set up in the early 80's, analyse the current state of the relationship and specifically the roles of Government and propose the future direction based on current trends

Firstly what can we learn from the last 25 years—.

Business in the Community was formed at a time of social breakdown in the UK – a response to the inner city riots that were the most extreme result to the process of economic liberalisation that took place at that time. BITC was forged at a time of change and social crisis through business leaders recognising that healthy high streets needed healthy back streets. It was a time when Government was rolling back the boundaries of the state increasing the role of the private sector in

delivering the major public utilities, while also liberalising the economy to create the conditions under which business could succeed and operate competitively in an increasingly global economy

This process of liberalisation and privatisation re wrote the established relationships and put more of an expectation on the private sector to take on responsibilities that were previously seen to those of the public sector. The huge growth in private utilities that now had to deliver under a “social license” to operate as part of their operating terms. Indeed these privatised utilities became a driving force for the development of corporate social responsibility practices, driven initially by their regulatory environment, but where successful business practices then became accepted in the mainstream.

The Government began a process of reducing the taxation burden on business as part of a process of making the UK a better place to do business. This shift was also accompanied by a recognition that Government did not have the capacity to solve all the social issues but that there needed to be a partnership with the private sector to create the sort of society where enterprise could flourish. In 1986 UK business leaders gathered with Margaret Thatcher in No 10 Downing St to launch the 1% club – those companies that committed to investing 1% of pre tax profits in the community

The early days of Business in the Community were dedicated to engaging the private sector in the establishment of Enterprise agencies across the UK, with the aim of improving the climate for business growth to create jobs and wealth. Indeed arguably this is the key “responsibility” of business, the role that it is uniquely placed to fulfill in society – sharing the knowledge and skills needed for enterprise

The pace of change through the impact of technology and globalisation had a significant impact on Business in the Community's development. The changes associated with globalisation further reduced the lack of trust that the public felt in business. The changes in technology and media increased transparency— companies had no place to hide –and activities across the world were there for all to see. The NGO activists played a key role in exposing bad practices and pressurising change in the Board rooms of companies.

The trends did not change with the election of a Labour Government, who further increased the pace of change through an increased emphasis on the concept of stakeholders and efforts to engage the private sector in initiatives to reduce social exclusion

This process of change was further accentuated through the reactions to high profile business failures such as Enron, the large pay outs for failures at the most senior levels in business and a growing awareness of the ever worsening global social and environmental consequences of business action.

So where are we now?

Business responded to this changing context through putting in place processes to manage the risks associated with these changes and the modern Corporate Social Responsibility movement was formed !! CSR has today become an industry in its own right - seen by some as perhaps more of a changing fashion than a means of fashioning change

Business is certainly more transparent and accountable – the media and the activist NGO community see to that. Governments compete to make their country an attractive place to do business, but have also begun to strengthen the legal frameworks within which business operates as a response to the high profile failures. In the UK this year we will see the introduction of the Operating and Financial review which will increase the legal requirements on Directors to disclose the company's social and environmental risks.

The UK Government though continues to champion voluntary action by business and focuses on addressing market failure, encouraging business excellence and providing a tax environment that provides incentives

Consumers may not trust companies but 91% say they trust brands more than politicians, while two-thirds believe brands not only have a role to play but a responsibility to make society more sustainable

This is the real dynamic relationship as business moves from managing risks to setting company values and codes of conduct to a focus on creating the products and services that meet the

need of current and future generations. Innovation and creativity are at the heart of successful business and are characteristics that can deliver the real responsibility of business – meeting the market need for products that do not damage the future generations for generations to come. We see this relationship in terms of a hierarchy which moves companies from compliance to laws, through to their own values and standards to a commitment to innovate in the production of products and services

Government has a key role to play in this change – not least in informing and educating the market so that company innovation can be better rewarded. Consumers need better information to make more informed decisions, young people need to be educated as citizens to understand the impact of their purchasing decisions. Government needs to incorporate social and environmental principles within their procurement practice and make sure that taxation policies reinforce positive practices in consumers and companies.

Finally there is an opportunity in all this not only for companies but for countries and regions. I now do a lot of work in Wales – one of the few countries with a Sustainable Development principle built into the constitution of the devolved Government. This principle is being turned into strategies that develop Wales as a centre of excellence for innovation in the development of sustainable products and services. Wales was at the centre of the first industrial revolution based on coal and iron the transformation is now being made to an economy which can lead the current industrial revolution. I hope my presence here to day will help to develop the relationship between Wales and the Basque country so that we can take this road together.