

CSR, G8 & G5: The Heiligendamm Dialogue Process

By Wayne Visser

Tomorrow, by invitation, I will be giving "expert" input on CSR to The Heiligendamm Dialogue Process at a meeting they are holding in Mexico City.

If you're wondering what The Heiligendamm Dialogue Process is, you're not alone. I had never heard of it until I got the invite. In fact, it is probably the closest thing we have to a statement by the world's regional superpowers on how CSR fits into the bigger picture of global development. Here's how they describe themselves:

"The leaders of the G8 and the G5 countries (Brazil, China, India, Mexico and South Africa) discussed the major challenges that have arisen in the world economy at the Heiligendamm Summit in 2007. They recognised the interdependence of their economies and the importance of an active exchange on the framework conditions of a globalized and competitive world economy. They decided to embark on a high-level, structured dialogue on specific challenges which was subsequently referred to as the Heiligendamm Dialogue Process (HDP)."

So what does that have to do with CSR? Well, one of the four main topics for the Dialogue Process, which is hosted by the OEDC, is: "Promoting cross-border investment to our mutual benefit including the encouragement of responsible business conduct".

A more lengthy document (38 pages) on "Growth and Responsibility in the World Economy", issued as a G8 Summit Heiligendamm Declaration on 7 June 2007, makes fascinating reading. Not least because, according to the G8, the outlook was all sunshine and roses barely a year ago. "We note that the world economy is in good condition". How quickly the world can change! But beyond that, there is some very revealing content on CSR and broader socio-economic and environmental trends. Below, I have tried to summarise some of the main points:

SUMMARY

1. G8 Agenda for Global Growth and Stability (p.1-2) - This opening section makes it clear that the developed world's obsession with economic growth as the solution to social and environmental challenges continues. What is interesting (and different), however, is that there is now more acknowledgement about the importance of stability in financial markets and the distribution of the benefits of globalization.

2. Systemic Stability and Transparency (p.3) - This section reads like déjà vu and shows that our current financial crisis did not arise from a vacuum or without the knowledge of the superpowers. In relation to global financial markets, especially hedge funds, they refer to "potential systemic and operational risks" and "the need to be vigilant". I guess no one (or at least no one that mattered) was really listening?

3. Freedom of Investment (p.4-6) - This is the familiar "free capital flow" mantra, acknowledging that "supporting protectionism would result in a loss of prosperity". How does this reconcile with the continued protectionism of EU agriculture and US fossil fuels I wonder?

4. The social dimension of globalization (p.7) - The fact that this is even being acknowledged is progress. The emphasis is on "promoting and developing social standards", like the ILO Tripartite Declaration, OECD Guidelines for Multinationals and the UN Global Compact.

5. Strengthening the principles of CSR (p.7) - In addition to emphasising and supporting the above-mentioned social standards, there is reference to "the voluntary approach of CSR" and encouraging "the transparency of private companies' performance with respect to CSR" and "clarification of the numerous standards and principles issued in the this area". Given that this is the main section on CSR, it is quite weak and disappointing, with a fairly limited conception of CSR.

6. Promoting and protecting innovation (p.9-12) - This section hints at technology transfer, but is far more about protecting intellectual property (patents), claiming that "trade in pirated and counterfeit goods threatens health, safety and security of consumers worldwide, particularly in poorer countries". No guessing which country-block wrote this section then.

7. Climate and energy (p.13-28) - This forms the bulk of the paper, focusing on energy security, energy efficiency and climate change. Although there are no revelations, it is quite a good summary of where the world is at on these issues and how it has responded to date. For example, it talks about the Global Energy Security Principles, the post-Kyoto deal, deforestation, biodiversity, sustainable buildings, transportation, industry, power generation, energy diversification, etc.

8. Responsibility for raw materials (p.29-32) - This focuses on transparency and "sustainable growth" in the mining sector, mentioning the likes of the Extractive Industries Transparency Initiative (EITI), the OECD Risk Awareness Tool for MNEs in Weak Governance Zones, and the Diamond Development Initiative.

9. Corruption - This final section is simply a restatement of commitment, referring to existing initiatives, like the UN Convention against Corruption and the OECD Anti Bribery Convention.

The full document is downloadable from: http://www.g-8.de/Content/EN/Artikel/__g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf.

IN CONCLUSION

If this Declaration is anything to go by, the growth and globalisation debate at least seems to be getting more sophisticated, implicitly acknowledging that there is such a thing as growth and globalization that does not share its benefits fairly, and that issues like poverty and climate change are critical to long term economic prosperity.

My overall impression from the Heiligendamm Dialogue Process so far is that the battle to have CSR acknowledged as part of the social and environmental suite of solutions has been won, but the war to see CSR as a more holistic, embedded and strategic concept is in danger of being lost.

Source:

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