

## Michael Posner: How far has Responsible Business practice come?

### How do you feel expectations for responsible business have changed over the past 10 years?

The rapid expansion of an integrated global economy, where some multi-national companies now have revenues comparable to the GDP of many countries, has increased attention to their actions and created higher expectations regarding their conduct on human rights, the environment and other social issues.

In addition, social media and the internet have dramatically increased access to information which is allowing consumers, investors and others the tools to play a more active role in addressing these issues, using their purchasing power and investment decision-making.

### What factors and incentives do you feel have been the most significant in driving the adoption of responsible behaviours?

First, government regulations and reporting requirements are compelling companies to address these issues more systematically. The Anti-Bribery Act in the UK has profoundly changed corporate response to corruption.

Second, a combination of increasingly powerful social media, more focused investigative journalism and NGO activism are creating significant risks to reputation for highly visible global companies.

Third, a growing number of forward-thinking corporate CEOs, like Paul Polman of Unilever or Tim Cook of Apple are making the case for longer term investments in sustainable business practices within their companies, believing that there is an affirmative business case for them.

### What should the respective roles of business, government and civil society be?

We believe that a multi-stakeholder approach is essential to address problems in a meaningful way. Among other things it is a starting point in an effort to bring together all key stakeholders to develop industry-specific human rights standards and performance metrics, and a credible system of periodic evaluation.

Through the World Economic Forum, we have advanced a model of “Shared Responsibility” by which global companies, their local business partners, governments, international financial institutions and foundations can work collectively to identify the scope of major human rights problems, the cost of providing effective remedies, and a fair allocation of costs among these various entities.

We believe that the “shared responsibility” framework can provide an innovative model that can lead to equitable outcomes to some of the most challenging global issues.

### What are your views on recent developments in responsible business and its governance?

I think we've certainly come a long way in understanding the intersection between the two in the larger global context. While individual corporate efforts to govern their own practices have been an improvement, I think there is room for a more disciplined, industry wide governance system.

*Michael H. Posner will be speaking about business and human rights at the Chatham House Responsible Business conference on 21 November at The British Academy. For more information, see the event*

