

## » Corporate Activism: using influence to boost public and sustainable policies

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**M**icrosoft pressures the Argentinean Congress to pass the gender-based violence Act. Johnson & Johnson works shoulder-to-shoulder with several associations to enact the assistance and protection Act for people with autism that President Peña Nieto has just signed. The *Compañía General de Electricidad* (CGE; general power company in Chile) was also a lobby to set a legal framework for same-sex unions. In Spain, Google is making pressure so the abortion Act is not passed, the same as Galp in Portugal regarding the draft bill which regulates the media coverage in electoral campaigns.

These bills are current and real; the situations are not, but maybe they could become so soon. Some companies in the USA and United Kingdom have started to use their political influence for the benefit of society. We are not only talking about big companies but also about small and medium-sized ones. The objective is to put together all the contacts and the capacity to influence on political measures to benefit the general interest and the society as a whole, keeping in mind that the impact will be positive and general.

Over the years, many companies and organizations have set an efficient, and sometimes even sophisticated, methodology regarding the relationship with the decision-making entities such as the Government, the legislative power or other regulators or consulting organisms. They count with the "know how", the required staff and a good net of contacts that allows them to

influence –or at least try to influence– to boost or change a bill. In most of the occasions, these activities are part of the interest areas of the companies and organizations, in accordance to their legitimacy to defend their business area.

All organizations have the right to warn legislators about the possible negative consequences a law may have. They can also protest in order to have a new regulatory framework for their sector. What is recommended is to never lose sight of the general interest. The general interest will be the guidance for legislators. A proposal is more likely to succeed when is closer to the general interest and in tune with the electoral interests.

Some companies have gone further and are including, among their public affairs' strategy, other issues such as government affairs or regulatory affairs. Most of them are social, cultural and environmental initiatives that, for some reason, are being discussed by the Government or Parliament of each country. They profit all the capital coming from those projects.

Is what we call *Lobbying for good*. It is an aspect of the Corporate Activism which is focused on boosting sustainable public policies. It is a new dimension of the management of the influence which might become, in the coming years, an important area regarding companies' reputation.

### ACTIVE COMMITMENT

Corporate activism implies that companies have a high commitment towards the societies since they are committed not only to help their interest groups development but also their sustainability. This commitment goes further, is not a passive commitment since it does more than helping. It is an active commitment which puts all the company efforts in the same direction, supporting a project and including the use of corporate internal resources.

Activism entails, at first, some risks which must be evaluated by the board of directors of each company. Risks are mainly in two senses: on the one hand, joining projects which do not belong to their interest area implies losing some control over the events. Together with the political and electoral factors, instability becomes bigger. On the other hand, we may create rejection and mistrust amongst those who do not share the cause we have chosen. There is an obvious question: Why should I get involved in more problems with the Government when protecting and developing my business is already enough? The answer is not in the Government but in citizens. Companies are making big efforts regarding social sustainability in order to obtain their operating licenses. This is the answer the society requires from companies since it is considered that companies should enjoy the highest benefit possible as far as they give something back to society which will contribute to sustainability. In fact, this corporate effort usually has positive impacts on themselves: developing a society means developing its businesses and, for this



Launching of the Mary Kay campaign "Don't look away", for a legislation on women domestic violence. Sales directors in front of the Capitol.  
Source: Mary Kay

reason, some companies such as Nestlé or Unilever have added this value proposition to their corporate's DNA.

There is another possible answer for the previous questions and it is the opportunity cost. What is the real outcome (in terms of reputation) of not supporting an initiative with a clear positive impact on your own interest groups? Will interest groups be loyal to those companies who actively supported them and will they not trust those who could have done more for the cause but did not help?

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Citizens do not want companies just to support them but also to be there to defend their interest against the public powers; and are also asking companies to provide them with their resources for the common good. This is the path some companies are starting to walk thanks to the corporate activism.

#### WHAT ARE THE POSSIBLE ADVANTAGES OF INCLUDING CORPORATE ACTIVISM PLANS ON THE PUBLIC AND REGULATING AFFAIRS STRATEGIES OF COMPANIES?

An active participation on the civil society by leading or joining influence campaigns facing the public powers enables companies to:

- A more emotional relationship with the consumer or client. Those interest groups associated will have a close, intense and emotional experience of the brand and with the company. Stepping forward to defend general interests could entitle the activation of highly positive attributes for the company's reputation such as freedom, justice, equality, commitment, etc.
- A higher interaction with the public because new territories for dialogue are conquered. The dialogue will be held on shared-interest territories where communication is much more fluent (for example, manage to pass an Act on the protection of motorcycles). The message is clear: we are (also) close to people.
- The relationship with legislators gets better. Politicians usually have the feeling companies only get closer for private interests. Corporate activism is the best way to show

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that companies also care about the general interest and that they provide the civil society with their tools to, for example, strengthen the legal framework to fight against the trafficking of human beings. As we all know, the proof of the pudding is by eating. After this, a deputy will look at us with new eyes.

- It creates a competitive advantage: when the supported initiative has a direct impact on the whole sector, the company becomes the leader of the changing or transformation process. This means a competitive advantage regarding other companies with a direct impact on the business. If you are leading the

change of the rules, you are a few steps forward.

#### HOW TO PLAN A STRATEGY AND PUT IT INTO OPERATION?

Companies might decide to lead an initiative on their own to later look for specific support. They can also join a big campaign and contribute to the common effort, sharing the investment but also the prominence and the benefits.

Long term strategies to obtain fruitful relationships for all the sectors in the process should be established so corporate activism is not seen as opportunism. In this point, again, generating perceptions is a matter of time and means.

According to Paul and Philip Monaghan, authors of the book *Lobbying for Good. How business advocacy can accelerate the delivery of the sustainable economy*, when setting a corporate activism plan within the Public affairs strategies of a company, the first steps to be taken are:

- Evaluating both the internal and external factors, specially taking into account the social present and future needs, the business strategy and how to put them together with the Social Responsibility and Public Affairs plans of the company.
- Identifying the possible topics to be worked on.
- Building the speech: what and how to express it.
- Mobilizing the resources needed: not only internal resources but also other actors of our value net such as suppliers, employees, directors...
- Developing an action plan taking into account the media coverage of all the stages of the project.

The tendency of influencing for the common good is new, and it will settle down together with the citizens' capacity to pressure public and private organizations to be an active part of the social construction of the State. Nowadays, political parties with a representation in the Parliament are not the only ones who are interested in promoting public policies with a general interest and which worry and have importance for the society as a whole. There are many other actors who also want to have a word on these issues: companies too.

#### Notes

- *Lobbying for Good: How business advocacy can accelerate the delivery of a sustainable economy*. Paul Monaghan and Philip Monaghan. Editions Doshorts. 2014
- *The rise of the Activist Company*. Jérémie Guillerme and Laura Brummer. ReputationInc. 2014
- *Lobbying for Good*. Kylie Peterson y Marc Pfitzer. Stanford Social Innovation Review. 2009



Paul Polman during his intervention in front of the working group of the UN General Assembly on Sustainable Development Goals (SDG) in 2013. Source: International Institute for Sustainable Development

LOBBYING FOR GOOD: SOME EXAMPLES OF CORPORATE ACTIVISM CAMPAIGNS TO INFLUENCE REGULATIONS.



The Company launched in 2010 its campaign "Sustainable Living Plan" to become more environmentally friendly and to improve the health and well-being of 1 million people around the world. Since 2010 it has been working directly with governments to promote health regulations to improve the citizens' life conditions. In order to integrate and coordinate these projects the company has created an ad hoc working team within its advocacy team.



In order to make visible the problem of domestic violence in the USA, several female Sell Directors of the company parked their pink Cadillac in front of the Capitol. The company's department for governmental relationships led the project and gathered several social organizations to design an activism campaign which dealt in a bill against domestic violence in 2006 while George W. Bush was President. The campaign's leitmotiv was "give women the chance to succeed".



H&M is now lobbying to have all companies with textile factories to set laws to establish a minimum wage decent for all workers. Trade Unions and NGOs are also working on this initiative. The company has been working in Bangladesh for more than a year pressuring the Government to set a minimum and compulsory wage. The CEO of the company, Karl-Johan Persson, has met the country's Labor Ministry twice. H&M would like all companies in the sector to join their initiative.



Retailers in the USA joined their work to fight the lack of legislation that allows big companies to find ways to reduce their contribution to the Treasury. They carried out surveys, sent thousands of letters and mobilize companies and citizens to show what they considered a legal vacuum. There are currently two draft bills which will be discussed in the North-American Senate.



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