



# The role of business in tomorrow's society

Regional perspective

The Business Role Focus Area | [Buenos Aires Dialogue](#)





## The role of business in tomorrow's society – Regional perspective

Leaders from Argentine business, NGOs, the academic world and the government met in Buenos Aires in December 2006 to explore the role of business in tomorrow's society – and its stakeholders – in contributing to solving some of the most pressing societal challenges facing Argentina and Latin America.

The event is part of a global series of dialogues convened by the WBCSD to capture perspectives from around the world into the varying roles that companies can play in tomorrow's society. It also served to kick-off local dialogues that Regional Network partner CEADS<sup>1</sup> is planning to hold throughout 2007 between business and NGOs on building effective partnerships. It attracted more than 30 participants, including 17 CEOs from leading national

businesses and local subsidiaries of transnational companies. Moderated by Carlos March from the Avina Foundation, the two-hour debate addressed the following questions:

### The role of business

What is the role of business in meeting the expectations of society and shareholders' interests at the same time?

### The role of civil society

How can NGOs most effectively work with companies to advance the sustainability agenda and contribute positively to society?

### The role of governments

How can governments and business work together to create an environment that contributes to sustainable

development in relation to satisfying public policies, regulatory frameworks and incentives.

The issue of trust in business, although a worldwide challenge, is especially significant in Argentina and Latin America as a whole. In 2003, less than one-third of the population believed that large companies were doing a good job in building a better society.<sup>2</sup>

1 – Consejo Empresario Argentino para el Desarrollo Sostenible

2 – Public opinion survey, Latinobarometro, 2003

## The role of business

Helping developing countries wrestle with poverty, water scarcity and the effects of climate change is increasingly seen as vital to staying competitive over the coming decades for many leading companies. How are Argentine businesses responding to these challenges? To trigger the debate, moderator Carlos March asked: "Are you first a citizen and then a shareholder, or is it the other way around?"

Argentina is a very complex country. Since the economic collapse of 2001-2002, many companies have been working in survival mode. Permanent dialogue and cooperation with NGOs, trade unions and government is the only way to create an environment in which business can prosper. The fact that civil society perceives business as unable to foresee long-term issues makes the need for dialogue even more important.



"Business has other resources to contribute to society that are far more valuable than financial ones, such as know-how and management. These resources do not compete with those destined to satisfy stakeholders, hence the importance of synergy and alliances with NGOs."

Pedro Saenz de Santa María Elizalde, Gas Natural Ban



"Companies cannot be independently effective in issues related to sustainability because the solutions must transcend the activities and projects of business. This is due to the fact that societies remain while companies sometimes do not."

Julián Rooney, Minera Alumbrera



"The actions of companies will not solve problems such as poverty, hunger and demographic shifts, but they can contribute by setting an example. NGOs and business have something in common that we often forget: they are composed of people. We must work together."

Alan Gegenschatz, TNT



"As long as NGOs see companies as donors and not as collaborators, there will always be a reason for mistrust. In certain occasions, companies cannot offer jobs, but they must always offer employability."

Gerardo Ourracariet, Amanco



Business cannot solve the sustainable development challenges facing the country alone. Companies need to define what they can and cannot do. What is the role of companies in guaranteeing employability? While companies can guarantee that their employees will have the requisite skills, they cannot guarantee that jobs for these people will exist.

There is significant opportunity for business to address global challenges which will also enhance its reputation, enlarge its customer base, increase its market share and create a competitive differentiator.

## The role of civil society

Despite sharing similar concerns, a lack of understanding among key Argentine actors impedes the establishment of the very partnerships required to advance sustainable development. Participants acknowledged the pre-existing mistrust as a key barrier and described the need to address it as progress in itself.

There is a widely held public perception that NGOs lose independence and credibility when they collaborate with business. NGOs need to revisit the way they perceive companies when considering cooperation. Business can contribute not only funds, as donors, but know-how, management and capacity building. NGOs in Argentina could help business to clearly identify society's expectations. This could become an area of cooperation in the future.

Partnerships between business and civil society can deliver mutual benefits when based on a symbiotic relationship. Collaboration is important to prevent the outsourcing of social responsibility to NGOs.

Academics underlined the need to integrate sustainable development in university curricula. They also urged participants to jointly address the issue of corruption.



"The challenge is not only to set an example, but to seek solutions to the bigger problems that affect our society. This demands a different kind of commitment. The trouble is that global decisions are made in other countries."

**Alberto Croce**, Fundación SES (Sustainability, Education, Solidarity)



"We are all part of the same society. It is a matter of common sense that stakeholders should watch over their businesses so that they meet social demands and expectations in a responsible and sustainable manner."

**Aldo Ferrer**, Tetra Pak



"Business cannot develop in a society without social inclusion. Up to now, companies' main priority has been to survive. We must make an effort to define a legal framework in which business and the civil sector can work together. NGOs can help a lot in this area."

**Federico Nicholson**, Ledesma



"As a union director I am familiar with certain business criteria. It is extremely difficult to undertake certain activities without the support of the people and workers. Each sector must contribute its part to achieve collaboration."

**Adalberto Steinfeld**, Intersindical



"I am surprised to find that some people consider that if NGOs work with business they risk losing objectivity. Efficient and transparent collaboration between these sectors is precisely the way to overcome this prejudice."

**Héctor Laurence**, Fundación Vida Silvestre (WWF)



"In communities where we have our companies, the relationship between the company and the community has changed and evolved. I think we must copy the model from bottom to top and not wait for decisions to be made by the hierarchy."

**Rolando Meninato**, Dow



"Social expectations concerning business are too high. Business must improve its ability to identify specific societal demands. NGOs play an important role in helping business achieve this goal."

**Javier Corcuera**, Avina Foundation



"We mustn't presume that NGOs are merely an accessory to business, a strategic resource. This constitutes a grave prejudice. Our starting point for any debate must be one of equality and not one of superiority or submission."

**Daniel Sabsay**, Fundación Ambiente y Recursos naturales (FARN)



"We must distinguish between societal needs and societal expectations. We speak of expectations, but we should concentrate on what people need. Through dialogue, it is possible to understand this difference and come to reasonable agreements."

**Marisa Arienza**, Green Cross

# The role of government

Government recognizes that industrial activity in Argentina over the last decade has not been easy due to the permanent change in policy affecting the national economy. Through its foreign trade policy the government enhances the opportunities and benefits brought about by globalization while minimizing any resulting damages. However, given current EU, US and Japanese trade barriers, the Argentine government has been promoting regional integration through MERCOSUR (a regional trade agreement between Brazil, Argentina, Uruguay, Venezuela and Paraguay) and developed bilateral discussions with the Asian economies. Also, the government increasingly realizes the necessity to collaborate more closely with the private sector.

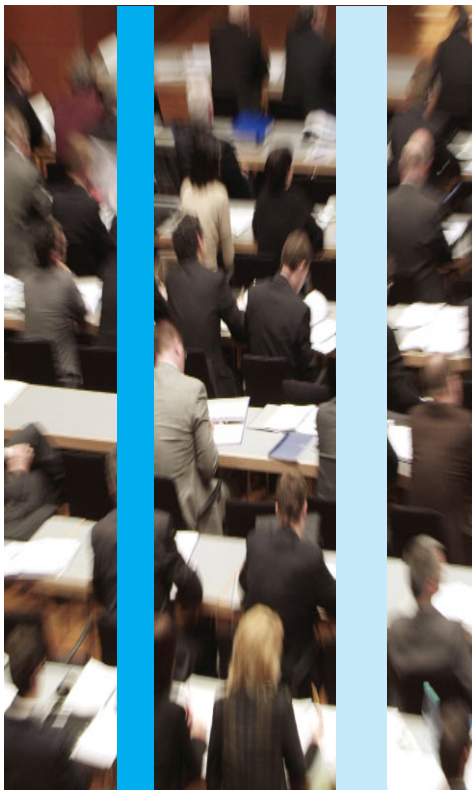
Business recognizes that it must work closely with governments to recommend policy for the country's economy. NGOs acknowledge their role to cooperate with business in influencing government decisions.

Business, NGOs and academia must to advocate together to promote a longer-term perspective when developing policies. Business, civil society, academia and trade unions must work together to raise the bar to advance sustainable development all demand to strengthen the quality of Argentine institutions.



“Satisfying the needs of society is inherent to all business. We must define which of society's expectations we are capable of satisfying. The different actors in society should commit to the strengthening of institutions, for they are a priority for the sustainable development of societies and business.”

José Testa, DuPont



## Take away for business

Companies should seek the expertise of NGOs to help define what they can and cannot do in relation to stakeholder expectations.

Because mistrust is a key barrier to successful partnerships between business and NGOs; transparency should become a priority issue in order to work against prejudice and effectively battle corruption.

Businesses and NGOs need to collaborate to influence government by recommending long-term policies and appropriate legal and regulatory frameworks. The media has a positive role to play when it comes to portraying such collaborative efforts.

There is no contradiction between shareholder and stakeholder interests as long as sustainable development is seen as a profitable activity and a business opportunity.

Big businesses could seek opportunities to educate their suppliers and consumers by effectively channeling their social responsibility know-how throughout their entire value chain.

For more details on the WBCSD's work on 'The role of business in tomorrow's society' please visit our website: [www.wbcd.org/web/business-role.htm](http://www.wbcd.org/web/business-role.htm)