



While I am writing St. Obama from Washington is strenuously fighting to let the Congress approve a law that ratifies the old and failing “polluter pays principle”. It is one of the basic principles concerning the Environmental Policy elaborated in 1972 by OCSE and afterward merged into the 16th principle of the Rio Declaration on Environment and Development (UNCED, Rio, 1992)

According to this principle who is polluting is supposed to payback the entire cost of environmental damages caused by its activity and this should create an incentive towards the reduction of environmental damages. The law currently proposed by Obama and his staff, after the disaster in the Gulf of Mexico, is especially addressed to beat the oil & gas sector corporations that lately showed their superficial approach to the prevention of accidents and a scarce sensitivity towards prevention of environmental problems. A lower attention and prevention on these issues means saving costs (Maintenance, Internal Audit, CSR etc.) for companies.

The world wide famous ecologists of Wall Street - their caring for “the green” is world wide famous but the misunderstanding stays in the fact the they love just the “green currency”- calculated an increase in oil prices related to this accident that could arise in the range of 8/9 dollar cent per barrel.

The final objective therefore would be to let the polluter pay the disaster and, with the rising prices the consumers would finally pay it.

Bearing in mind that I don't find consistent the idea to pay back “goods” such as the fauna and the flora, the uncontaminated waters or soils, the coral barrier reefs, the oxygen, even with the restored to life US dollar, I think the polluter pays principle is not an advantage because moves ex post, so when it is too late to rebuild such a perfectly balanced and fragile environment.

This considerations bring me to the question: Where is the CSR going? Not caring only of the Environmental aspect and especially in time of recession can CSR be a competitive advantage for Corporations, multinationals and Small-Medium enterprises? Let's start from the clearest

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example we have currently in front of us: BP was changing its logo into a charming more green one and even its name became Beyond Petroleum and not anymore British Petroleum. They still have a very appealing and inviting website, they produce a Sustainability report full of touching pictures but what's beyond this? Should we consider them Betrayer of the Planet after the disaster they have caused?

BP was considered one of the leaders in Sustainability issues, transparent and reliable. Why? Because the way we are working is not really working. We find our selves in an dream state when we tell each-others fairy tales related to sustainability. The truth is another, Corporations understood that the general consensus of stakeholders is essential to survive and this if addressed correctly can give a leap, a sudden increase in the reputation graph. So they (mis)use Sustainability as a mere marketing and PR exercise.

How many damages are creating fake and sterile CSR policies from Corporations whose only goal is to look more appealing and charming? A well done Communication should have as solid background, something sustainable to communicate, policies and actions directly related to Sustainability and verifiable. If not so we are facing what I define "circumvention of naïve stakeholders".

Too often people (but even so called CSR managers) still tend to make confusion between Sustainability and Philanthropy. The aim of a serious sustainable policy is to "create value" in the framework of the existing rules and respecting the aspects that, on the long run, will safeguard the business (profit) and the whole set of stakeholders.

The recent, long and painful crisis could, paradoxically, still be seen as an opportunity for companies in order to develop a virtual circle made of good practices, made of reliable figures, transparency, relations with the communities and the stakeholders involved in the business.

I think that who will survive the crisis needs to be not more "sly and strong" than the other peers as in the jungle (even if the market is nowadays a dangerous jungle) but should invest in a far-seeing, balanced (I mean with this term where all the different interests of the different stakeholders are maintained in a safe constructive balance) CSR policy.

I have set some easy and affordable proposals towards those entrepreneurs/top managers interested Some initial proposals:

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- Let's get rid of this equal opportunity policy based merely on the "gender affiliation". One manager is not good or bad just because of his/her gender! Let's reappraise the "meritocracy", companies should give the responsibilities and the manager positions only to those that really deserve them, beside the gender and of course not creating unbalanced situations where "minorities" are not represented at all.
 - "MBO (management by Objective) directly linked to Sustainable performances of the company, spread all over the units of the organizations. Let's not be too philosophical and romantic, money will motivate managers to achieve better results.
 - A more serious monitoring of Key Performance Indicators related to CSR and an external audit contract for no longer than one year, not renewable. The external auditors, well paid from companies, otherwise will tend to be too "friendly" and "flexible".
 - Teleworking: this can be a policy that encounter some initial resistance in the Latin mentality: a boss wants to check (physically) his/her employee, thinking to obtain better performances through direct control. Nothing is so untrue! To make people responsible, this is the real challenge, the control can be easily obtained setting deadlines for each task assigned. We are not teacher in the primary school and if we treat our people like that we will obtain just primary school results.
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Pierluigi Orati has a Master Degree in Social Sciences and he is a doctor in Economics with a strong background on these topics, he has been several years in charge of relations with Sustainability Analysts and Social Responsible Investors answering their questions and providing them with all the necessary information about Enel's CSR.

The creation of a section of Enel's CSR home page to involve stakeholders directly through multidimensional scaling (Sustainability Meter) was one of Pierluigi' specific tasks and the broad response of stakeholders seemed to indicate the success of the initiative.

Pierluigi has been a member of the international GRI (Global Reporting Initiative) Working Group Board, involved in revising and discussing worldwide with Enel's competitors and NGOs in order to cooperate with them in writing the new CSR guidelines and detecting the key performance indicators for companies in the energy industry (EUSS).

He is also a free lance journalist and a member of the International Scientific Board Committee of "La Finanza" two-monthly magazine of Economy, Finance and Geopolitics.

Pierluigi is currently working, in the little spare time, as free lance independent sustainability consultant and daily with renewed interest and effort in the Country Risk Management unit for Enel where he manages relations with the ECAs (Export Credit Agencies) at a global level.

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