

## **European Union (EU) - Latin American and Caribbean (LAC) Forum**

### **Responsibility and competitiveness – the contribution of Corporate Social Responsibility (CSR) and multi-sectoral alliances to competitiveness and sustainable development**

**- October 28 and 29, 2009, Buenos Aires, Argentina -**

#### **Working Table I**

### **Responsibility and sustainable competitiveness: Under what conditions does responsible management support competitiveness?**

A company's competitiveness is derived from its capacity to use advantages that allow it to position itself in the market so as to increase its revenue and reduce its costs. In recent years, the need to develop the competitiveness of enterprises in the context of sustainable development has grown, with respect to the company as a generator of economic, social and environmental value.

Some feel that companies should pursue responsible management because that is their duty as members of society. Others suggest that companies should have incentives to behave responsibly. And others say that the exclusive duty of a company is to maximise its income. Moreover, the current economic context is an argument brought forward by those who maintain that it is an excellent opportunity for companies to operate responsibly and by those who say, however, that budgets are cut in ways that primarily and directly affect programmes of corporate social responsibility.

On the one hand, responsibility generates competitiveness in that the company conceives responsibility as a culture of systematic management, with a strategic approach, calling for diverse sectors to face dialogue processes, measuring and communicating their findings; on the other hand, there is a political, economic and cultural development that facilitates, recognises and rewards such responsibility.

There are numerous examples in which responsible management can focus on the benefits of sustainable competitiveness: new forms of income based on inclusive products or services, a diversified portfolio of customers including large enterprises that value the responsibility of its suppliers, increased productivity due to low turnover of and increased commitment from employees, cost savings from the efficient use of resources, reduced risk of social demands for deepening dialogue with various sectors.

But for responsible management to bring about sustainable competitiveness, it seems that it does not only take a certain attitude on the part of the company but also a supportive environment. Such an environment usually includes: competition that is not unlawful, unfair or unjustifiable, responsible companies that do business with other responsible companies, consumers who purchase products and services from responsible companies, public policies with financial, fiscal and commercial incentives for responsible companies.

Questions for this debate session:

- 1) What are the similarities and differences in the conditions provided by both regions (EU and LAC) to ensure that CSR support competitiveness and fair working conditions?
- 2) What types of incentives or facilitation are required from the environment that businesses operate in (the market, government, society) for companies that implement CSR to achieve sustainable competitiveness and guarantee fair working conditions?
- 3) What are the key issues that need to be included in the political dialogue between the two regions in order to promote the sustainable competitiveness of companies of different sizes and in different industries?