

## **Plenary Tackles Corporate Citizenship and Regulation**

The inability of business to regulate itself in the face of the challenges that lie ahead was a key theme that emerged from the XII Evian Group Plenary Meeting held over the weekend in Montreux, Switzerland.

Numerous participants in the meeting called on a regulatory agenda as a means of “re-gaining the moral high ground” and tackling climate change, poverty and natural resource constraints vis-à-vis consumption and production.

Stewart Hamilton, IMD Professor of Accounting and Finance and author of *Greed and Corporate Failure: Lessons from Recent Disasters*, highlighted the dilemma by stating: “Inappropriate behavior and short term pressures encourage corrupt practices. Companies often pay little more than lip service to anti-corruption policies.”

Many participants agreed that businesses must not underestimate the pace of change and the pace of decline of our natural resources. It was also emphasized that business has a vital role to play in the type of institutional change that is necessary to face the enormous challenges that lie before us. For this change to come about, CEOs have to be on board and solidify good corporate citizenship.

“We need a mix of solid domestic policies and international cooperation all-around to deal with the challenges that lie ahead,” said Alejandro Jara, Deputy Director of the World Trade Organisation.

Panelists at the meeting echoed the concern that there is little substance behind the corporate, social and environmental responsibility policies that companies adopt.

The Evian Group at IMD is committed to assisting executives, who will increasingly be called upon to play a role in global problem solving.

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