

What does the public think about corporate responsibility?

May 31 2019, by Florian Meyer



Credit: ETH Zurich

What is the public's opinion when it comes to the responsibility of Swiss companies abroad? ETH researchers have investigated this question and are able to show that there is a great deal of support for the so-called Responsible Business Initiative.

In just over two weeks, the National Council and the Council of States will jointly discuss the Responsible Business Initiative. The issue at stake

is whether companies with headquarters, head offices or main branches in Switzerland should be legally required to comply with human rights and environmental standards in their [business](#) activities at home and abroad; and whether they should be held accountable in Swiss courts for any future damage abroad they might cause. This latter point will be a key issue when the Federal Assembly decides on a counter-proposal to the initiative.

A study by [political scientists](#) at ETH Zurich has shed light on Swiss attitudes to the global responsibility of companies towards people and the environment. In November 2018, a team led by Thomas Bernauer, ETH Professor of Political Science, interviewed more than 3,000 Swiss citizens on the subject. Bernauer and his team examined the interaction of voluntary and government-imposed measures in environmental policy both in Switzerland and abroad.

About 70 to 80 percent of the ecological footprint created by consumption in Switzerland is borne by foreign countries, where many of the goods consumed here are produced. "What interests us about the Responsible Business Initiative is the extent to which Swiss citizens support stronger environmental and social regulation of the business activities of Swiss companies abroad," says Bernauer, "and whether voluntary measures by the private sector could mitigate political demands for more state regulation in this field."

Approving strict laws

According to the survey, the majority of Swiss citizens agree to strict legislation in this area. For example, two-thirds of those surveyed were in favour of the state tightening its supervision and regulation of companies' activities abroad. More than half of the respondents (53 percent) believe that voluntary measures taken by companies abroad are insufficient. The Responsible Business Initiative itself appears to

resonate with the public: on a scale from 1 ("totally opposed") to 7 ("totally in favour"), 65 percent of those surveyed gave a value of at least 5 ("in favour").

Accordingly, 60 percent said they would accept the popular initiative at the ballot box, while 18 percent would reject it. Women, people with a higher level of education, people with lower incomes and Italian-speaking Swiss people showed greater support, as did those who vote regularly or are politically left-wing. "At the time of our survey in November 2018, the popular initiative showed a tendency towards majority support," concludes Bernauer. "But the result at the ballot box is likely to be close, as our data represents a snapshot that could change by the time of the vote."

How arguments change opinions

The political scientists also analysed how interviewees' attitudes change when they are given new information. To do this, they randomly divided respondents into groups that were each confronted with different arguments. The groups were given only arguments in favour, only arguments against, or both. The results showed that when companies take strong voluntary measures, support for the Responsible Business Initiative decreases. In this (hypothetical) scenario, the predicted percentage of yes votes was in the range of 50 to 55 percent.

Debates on the subject of [corporate responsibility](#) are also taking place internationally—notably the UNO, OECD and EU. However, so far no country has a law that makes companies liable for effects on people and the environment abroad, as proposed by the Responsible Business Initiative. Bernauer therefore also asked the public's opinion on how a new law might be designed to regulate corporate activity abroad.

For this purpose, the researchers presented the test participants with two

policy proposals over three rounds. It turned out that the respondents preferred the stricter policy. For example, a policy proposal requiring companies to report publicly received more approval than a proposal that required them to hold regular talks with the authorities. The highest level of support was given to a policy proposal in which companies would be liable for any damage to people and the environment abroad.

Are voluntary measures enough?

In terms of international developments on the subject, there was also a clear result: Most respondents believe that Switzerland should not make the introduction of new measures dependent on what other countries do—Bernauer has already identified a similar opinion on climate policy (see [Zukunftsblog](#)).

The study by Bernauer's team shows that public pressure on business and politics to address the issue of global corporate responsibility is intensifying. In particular, this forces political figures to make fundamental decisions as to which model—voluntary or statutory—should be used to promote or demand global corporate responsibility.

"The strong demand for state intervention and approval for the Responsible Business Initiative are indications that the population feels a need for action," says Bernauer. "Unless the [private sector](#) scores points with strong voluntary measures in this area and there is no counter proposal, the initiative could achieve a majority based on the current state of public opinion."

More information: Kolcava D et al: Die Einstellung der Schweizer Bevölkerung zum Thema Unternehmensverantwortung im Ausland. Ergebnisse einer Bevölkerungsumfrage vom November 2018. ETH Zurich, Center for Comparative and International Studies. April 2019.

www.ethz.ch/content/dam/ethz/s...rung_Unternehmen.pdf

Prof. Thomas Bernauer. How important is reciprocity for climate policy? www.ethz.ch/en/news-and-events...it-klimapolitik.html

Provided by ETH Zurich

Citation: What does the public think about corporate responsibility? (2019, May 31) retrieved 8 May 2024 from <https://phys.org/news/2019-05-corporate-responsibility.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.