

# Partnering to Strengthen Public Governance: The Leadership Challenge for CEOs and Boards

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## **Objective:**

This project attempted to improve understanding of the business case for improved public governance and to provide guidance on how businesses can engage in public-private efforts to strengthen the effectiveness of such frameworks and institutions.

## **Methods:**

The CEO-signed leadership statement and supporting report were produced in partnership with Business for Social Responsibility (BSR) – the lead partner in this project – as well as Accountability, the Corporate Social Responsibility Initiative of Harvard University’s John F. Kennedy School of Government and the International Business Leaders Forum (IBLF).

## **Key Findings:**

The rationale for business to engage in efforts to strengthen public governance is strong. Governance frameworks that enable sustained economic growth are far more likely to be developed if businesses collectively engage and capture the opportunities to align governance structures with their goals for advancing sustainable business practices.

- Problems in public governance tend to take one or more of three forms:
  - 1) Bad governance
  - 2) Weak governance
  - 3) Underdeveloped global governance
- Strategies for business leaders to combat these problems include:
  1. Provide Leadership
    - Include public governance approaches in corporate responsibility and corporate global citizenship strategies
    - Use opportunities for dialogue with public sector leaders to raise this topic and communicate with civil society
    - Communicate the business case for strengthening public governance, including global governance
    - Support public-private-civil society collaboration as an essential tool for addressing core questions
  2. Define What It Means for Your Company
    - Identify the opportunities for impact that are most relevant to your company
    - Implement strategies based on your company’s areas of greatest competence
  3. Make It Happen
    - Make public governance an element of all corporate global citizenship activities

- Align government affairs and corporate global citizenship activities in support of
  - essential business strategy
  - Set goals, measure performance and review progress
  - Build industry coalitions/collaborations to address systemic issues
4. Be Transparent About It
- Report publicly on progress and challenges
  - Engage in dialogue with the public sector and civil society on how to address barriers and increase positive impacts

**Conclusion:**

“Adoption of good governance principles provides greater transparency to government actions and increases the political efforts efficiency by favoring the coordination of private sector expectations on the governmental intentions and actions. Good governance helps to strengthen companies, harmonizes interests and contributes for less volatile results. In this sense, good governance can enhance the investors’ confidence and, particularly when the government also adopts good practices, can promote the overall economic soundness.”

-Henrique de Campos Meirelles, Governor of the Central Bank of Brazil

[Full Report](#)