Editorial

Towards 'governmental social responsibility'

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The 'turbulent world' so fascinatingly captured in this issue's excellent collection of essays is a world in which the very basis of competitive advantage is put into question.

On what basis do we really admire countries, cities or regions? Is it really as simple, selfish and old-fashioned as marketing would have us believe: is international public opinion merely a collection of potential 'consumers' asking countries what they can offer in terms of products, services, education, culture, visitor and investment potential, or is a new subtext beginning to emerge?

For any country, city or region that cares about its standing, one thing is clear. To be seen to *count* in the community of nations, politically, economically, culturally and socially, it's simply not enough for a country to be happy, stable and prosperous. Most people don't think very much or very hard about most other countries, and this is usually because there is no reason for them to do so. If a country wants to be admired, it must also be relevant, and in order to become relevant, it must participate usefully, productively and imaginatively in the global 'conversations' on the topics that matter to people elsewhere and everywhere.

The list of those topics is a long one: climate change, poverty, famine, narcotics, migration, economic stability, human rights, women's rights, indigenous people's rights, children's rights, religious and cultural

tolerance, nuclear proliferation, water, education, corruption, terrorism, crime, war and arms control are just a few of the most obvious ones. It's hard to imagine any country that couldn't pick at least one item on this list with a special relevance to its own needs or resources, and find a way to make a prominent, thoughtful, meaningful and memorable contribution to the debate and to the global effort.

And of course we've been here before: in the world of commerce. For the past 20 years or so, it has become more and more evident that corporations which fail to demonstrate and maintain high ethical standards, transparency and social responsibility will soon lose the trust and respect of their consumers.

The critics of 'corporate social responsibility' claim that the approach has become devalued because, in many cases, it is no more than window-dressing. But, in the face of such attempts at free riding, the media and consumers naturally tend to increase scrutiny and demand higher standards, reducing the opportunities for corporations to get away with 'greenwash' or empty propaganda. Corporations are at last being forced to treat their social responsibilities as a matter for the board rather than for the PR agency. Surely, the basic principle here is no different from the one I underlined earlier: in order to achieve a better reputation, as Socrates is said to have observed, we must endeavour to *be* as we desire to appear. In other

words, it is necessary to provide people with *proof* of one's virtues. If the price of consumer respect is continuous and tangible evidence of corporate responsibility rather than pious statements, so much the better for everyone.

But if one is cynical and believes that 75 per cent of organisations that preach the 'triple bottom line' are merely window-dressing, still, the fact that a quarter of all those companies have fundamentally reviewed the ways, means, causes and effects of doing business, and have cleaned up their act as a result, is revolutionary.

What a revolution it would be if countries, cities and regions, nowadays as obsessed with the value of their reputations as companies are, were to follow the same principles.

It is already clear from the Nation Brands Index and from much other research that more and more people in more and more countries feel unable to admire or respect countries or governments that pollute the planet, practise or permit corruption, trample human rights or flout the rule of law: in other words, it's the *same audience*, starting to apply the *same standards* to countries as they apply to companies.

In just a few decades, consumer power has changed the rules of business and transformed the behaviour of corporations almost beyond recognition. It doesn't seem unreasonable to hope that consumer power might achieve a similar transformation in the way that countries, cities and regions are run in the years to come.

Are we observing the first victims of a 'consumer power' revolution? It is, of course, too early to say; but there is no question that international public opinion is beginning to emerge as a formidable new player in the complex equation of international relations and sovereign power.

SOUTH KOREAN GOVERNMENTAL SOCIAL RESPONSIBILITY (GSR) – TOWARDS A MORE GENEROUS FOREIGN POLICY

South Korea is an interesting case: this is a country which, by any account, has made remarkable progress during the last three

decades, achieving great advances in prosperity, stability, transparency, productivity, education and in many other important areas. The 'Korean Wave' of high-quality film, music and television has made Korea into something of a media star in East and Southeast Asia, yet its image remains decidedly weak, if not actually negative, outside the region: research suggests that people in many countries aren't even quite sure which of the two Koreas is the good one, and which the bad one – or whether perhaps they are both bad.

The reason why Korea has a weak international image is not, of course, because it has spent too little money on promoting itself: it's because most people in most other countries simply aren't interested in Korea, any more than they are interested in Peru, Jordan, Estonia or Namibia. And there is, currently, no compelling reason why they should be.

Most people in most countries aren't even very interested in their *own* country, let alone the 200 or so other countries around the world. They are interested in their own lives, their own families, and their own neighbourhood. Perhaps they sometimes think about America or China or Afghanistan or some other country that's regularly in the news. Perhaps they occasionally give a thought to their neighbouring countries, another country where friends or relatives live, or another country they would like to visit one day as tourists or migrant workers or students. But the idea that large numbers of people in Europe, the Americas, South Asia or anywhere else would spend time thinking about South Korea is, at least at the moment, merely fantasy.

Korea could spend a hundred billion or a trillion Won on promoting its image, and it still wouldn't make itself relevant to the daily lives of foreigners. The cutest logo in the world can't make people admire a country that has no relevance to them: governments might as well burn the money.

In one sense, despite all the mystique and complexity surrounding the concept of nation 'branding', the basic principle is actually a very simple one, and it comes from marketing: the

consumer wants to know ‘what’s in it for me?’ At this basic level, it is clear that a country’s achievements for its *own* population, its successes and its prosperity, will never automatically result in any kind of enhanced reputation, simply because they don’t benefit the (foreign) ‘consumer’.

I was consequently all the more delighted to hear See-jeong Chang, Director of the Korea International Cooperation Agency, announce at the Jeju Peace Forum in 2009 that it was Korea’s intention to increase its overseas development assistance to 0.25 per cent of GNI by 2015. This means that Korea is still a long way from joining the tiny club of nations that have met the UN’s recommendation of 0.7 per cent of GNI, but it is certainly better than either the United States or Japan have achieved in recent years. Clearly a country can’t simply buy itself a better reputation by spending more money on poverty reduction, but the voluntary increase is a powerful symbolic gesture that Korea is ready and prepared to start making a serious contribution to the issues that matter to humanity – and not just to Koreans.

INTERNATIONAL INSPIRATION: A MODEL FOR BRITISH GSR

As the United Kingdom enters the final phase of its preparations for the 2012 Olympic Games in London, one new initiative provides the perfect exemplar of the sort of symbolic action which I would unhesitatingly categorize as Governmental Social Responsibility, and indeed it’s one of the best I’ve come across in a good many years: a project linked to the Games called *International Inspiration*.

The idea is to enrich the lives of millions of children and young people of all abilities, in schools and communities across the world, particularly in developing countries, through the power of high quality and inclusive physical education, sport and play – to reach, in fact, at least 20 million children in 12 countries by 2012.

Keeping the promise made by Sebastian Coe and the London bid team in Singapore, International Inspiration aims to ‘reach young

people all around the world and connect them to the inspirational power of the Games so they are inspired to choose sport’.

I’ve worked with many governments as they plan, bid, and occasionally win the opportunity to host an Olympic Games, and seen each host nation find its own way of answering what seems to be the key question, ‘how can we obtain the maximum benefit from this extraordinary opportunity?’.

But this is the first time I have ever heard a country ask itself a different question: ‘how can we best *share* the benefits of this extraordinary opportunity?’ That’s the sort of country I’d be proud to live in, and, not incidentally, that little twist to a familiar question has changed the Olympics forever – if International Inspiration becomes a regular feature of each Games, the Olympic movement will once again find itself in harmony with values of the age, no longer just an awe-inspiring commercial spectator event, but a demonstration of exactly the kind of ethical, non-governmental, international collaboration this world so painfully needs.

And because International Inspiration is a project which is not destined to start and finish with the 2012 Games, Britain intends to participate actively in this and other related projects long into the future. Teaching the world something new about a country is a slow process, and national image change is measured in decades and generations; so while an initiative like International Inspiration can’t, of course, ‘reposition’ the United Kingdom on its own, it clearly points the way.

These are the rules of engagement, and it is by these tokens that Britain must judge its performance in the years to come. What are we doing to deserve the esteem of others? What have we done for the world today? Isn’t it time for Britain to remind the world that we are not just effective and potent, but principled and decent too?

If Britain’s future engagements continue to be as inspired as International Inspiration, and driven by the same clear set of values, we have reasons to be cheerful: not just because of our

own future prospects and role in the world, but also because of the growing tendency for all responsible governments to realise that winning and keeping the respect of global public opinion is both their duty and their opportunity.

ITALY: PAYING THE PRICE OF FAILING TO OBSERVE GSR

The potential gains from pursuing ethical policies are of course matched by the corresponding risks of failing to pursue them. Italy, for example, has the sixth best national image in the world, according to the Nation Brands Index, coming top for tourism and second for culture. Its ranking is only let down by rather poor scores for business and governance, as one might perhaps expect.

And yet there is a worrying undercurrent when one looks more closely at Italy's rankings over the last few years: not only is it the most volatile of any top 10 country in the Index, but it is also in steady decline. Italy's rankings have dropped by 2.3 per cent since the questionnaire of the Nation Brands Index was stabilised in the last quarter of 2005 – which may not sound much, but at this rate Italy will have a weaker image than Mexico in 10 years' time.

It seems pretty clear that Italy's brand is not actually declining in absolute terms: the reason why Italy's NBI scores are falling so fast is because the world is changing its mind on a number of issues, and Italy is being very gradually 'squeezed out' of the new scenario. As the Nation Brands Index has abundantly proved over the years, country images are normally remarkably stable, and barely change from year to year. What Italy seems to be facing is not a loss of attraction in its image, but a decline in the relevance of that image for many people: in other words, Italy seems to be going out of fashion.

Tellingly, one of the areas where Italy is increasingly failing to make a connection with global public opinion is in the area of its environmental standards and commitment: worse than being perceived as just another country that isn't doing very much about climate

change, it is perceived as a country with a hugely important natural and cultural heritage that isn't doing enough to look after it.

Italy isn't the only country whose image is suffering as a result of such a perception; it drags down China's and America's images too (and China's image is dragged down even more markedly by its weak scores for governance and human rights). America's scores in most areas have improved dramatically since President Obama took office, but it remains to be seen whether this 'blip of hope' will prove durable or not.

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THE PARADOX OF SOVEREIGNTY

The fundamental problem of sovereignty is that national leaders, assuming they care about public opinion at all, care most about the opinions of their own populations; even if they aren't elected leaders, this is simple self-interest. And when their national interest is at odds with the national interest of other states, governments will invariably focus on pleasing their electorate at the expense of pleasing foreign populations; indeed, populist politicians such as Mahmoud Ahmedinejad and Hugo Chávez sometimes rely on *displeasing* certain foreign publics in order to enhance their domestic appeal.

But it may not be too naïve to hope that things are slowly changing, and the paradox may be starting to resolve itself. As more and more of the issues that governments face today cut across national sovereignty (of the long list of important topics which I mentioned earlier, from climate change to arms control, none are respecters of national boundaries); as national governments are held more and more to account by their own populations for these shared challenges; as those populations feel more and more closely connected through shared issues with populations in other countries, it becomes

harder for leaders to pursue radically different agendas from those of the 'international community'. The tragedy of the commons may not, after all, be destined to be a tragedy forever.

A kind of common morality shapes the (very rough) boundaries of what is deemed acceptable behaviour in most parts of the world today, a morality characterised by human rights, environmentalism, the rule of law, anti-colonialism, democracy and free market economics; whilst the universality of these values is, quite rightly, under constant scrutiny and discussion, there is no denying a sense of basic consensus on at least some of the principal ones. The governments today that appear *not* to mind being regarded as moral outsiders by international public opinion, or who don't see the need to maintain a positive national image, can almost be counted on the fingers of two hands.

Acquiring the support, or at least avoiding the censure, of public opinion in other countries is also driven by the emergence of more and more regional and multilateral groupings. Most governments of EU member states, for example, would prefer to avoid incurring public disapproval elsewhere in the European Union if they can help it, since it reduces their ability to support their own country's interests, and similar effects occur within other multilateral 'clubs' such as NATO, ASEAN and MERCOSUR.

For developing countries that are dependent on foreign aid, being seen as worthy recipients of that aid is an essential precondition of their continuing to receive it: donor governments cannot long continue to donate their taxpayers' money to regimes or countries with very weak or very negative 'brand images'. The willingness of China to extend enormous amounts of aid without regard to such matters has considerably upset the delicate moral balance in this area; but there are signs that the same mechanisms are, gradually, having the effect of bringing China into line with the views of the 'moral majority' too – for, of course, China itself

depends on the approval of international public opinion in order to maintain the health of its all-important exports.

One way and another, it seems that governments find international public approval ever more worth their while to value, to seek and to retain; and the mechanism of shared values and reciprocal esteem appears to function better with each decade that passes. Just as in the corporate sphere, earning and maintaining a good reputation is becoming the cost of entry into the marketplace; survival outside that marketplace is no longer an option.

As I wrote in an article in 2006, 'if the world's governments placed even half the value which most wise corporations have learned to place on their good names, the world would be a safer and quieter place than it is today' Anholt (2005–2010). I think we have reason to feel hopeful that this dynamic, notwithstanding the almost chronic pessimism of the commentariat today, is starting to make things better.

THE DOUBLE-EDGED SWORD OF AID

At the same time, we should not lose sight of the fact that ethical behaviour – such as development assistance to poor countries, for example – can damage the images of other countries as much as it burnishes the images of the donors. Foreign aid, in several ways, gives with one hand while it takes away with the other.

I have often commented in the past about the unintended damage done to the international standing and, consequently, the long-term prospects of poorer countries by well-intentioned charity promotion, and in particular the negative 'branding' of Africa by aid celebrities such as Geldof and Bono. Over the decades, with the best intentions in the world, their relentless depiction of Africa as one single, hopeless basket-case has harmed the long-term development prospects of the whole continent even as it has boosted donations. After all, while many people would happily donate money to a basket-case, few will think it prudent to invest in a basket-case, buy products

or services produced in a basket-case, go on holiday to a basket-case, or hire somebody born and raised in a basket-case.

This double-edged quality of aid is found wherever a richer community helps a poorer. In order to continue to assist poorer countries, donors feel it necessary to paint as distressed a picture as they can of the recipient: donor governments need to maintain the support of domestic taxpayers by persuading them that the cause is worthy, while charities and other non-governmental organisations need to keep up the level of voluntary donations. The more desperate they make the country appear, the more successful their programmes will become.

Rich countries, in this way, have exacted a very high price for their support of the needy over the decades: in effect, they take over control of the recipient country's international image as hostage or deposit, and set about degrading it as much as they can. Using their vast credibility, resources and media influence, donors project onto the public imagination an unbroken stream of corrosively negative information, images and emotions about the recipient country and its population, in order to prove that no cause is more heart-rending, more urgent and more (nearly) hopeless. By the time their programme has moved on to the next deserving cause, the country's image may have been blighted for generations, leaving a powerful psychological and emotional disincentive to trade, investment, tourism and growth.

As has been observed by others, the foreign aid mechanism distorts and corrode the economies and administrations of recipient countries in the longer term, making it impossible for local producers to compete against a constant supply of effectively free goods and free money, and turning domestic governments into mere distributors of largesse. What we have failed to notice is how it also makes pariahs of those countries in international public opinion, stealing their dignity as proper states with history, culture, nature, wisdom, language, learning and

human endeavour by branding them as nothing more than victims and beggars for decades to come. Instead of images of natural and human beauty and variety, the 'outside world' is fed an unvarying diet of conflict, starvation, disease and despair; a world of dust and misery. Nothing could be more unhelpful for a country that needs to build an economy through the stimulation of trade, tourism, investment, and productive cultural and political relations with other states.

Most donors appear to believe that a somewhat bleak portrayal of the recipient country is necessary at the start, but once its economy has 'got going' and the 'good news stories' start to emerge, this image will be reversed. Yet such is the lag between perception and reality, and the intrinsic preference of the media (and public taste) for the shocking and the tragic over the hopeful and the promising, the job of undoing the negative perceptions will take far longer and prove far more intractable than creating and enhancing them in the first place. National standing, as many examples show, is always far quicker to decline than to improve.

Furthermore, the 'continent brand effect' of Africa – about which I have also written at length – provides a strong, indeed an overwhelming, stimulus towards a negative rather than a positive imagery for all its component nations.

I am of course not arguing against aid. It is essential, and more is always needed. Nor am I impugning the good intentions of those that give. But I do believe that these unintended consequences of the generous instinct should be taken seriously into account, and the 'bargain' of foreign aid re-evaluated accordingly. I believe it is now necessary to create new forms of assistance that make a different and less harmful bargain with their beneficiaries. Rather than deliberately degrading the nations we help, we must devise a more equal relationship of collaboration, partnership and mutual respect, both in public and in private. Public opinion in the rich world is surely ready for it: and indeed, the idea of 'helping people to build

something' is already beginning to creep into the marketing messages of charities, and will perhaps replace the old and ultimately unproductive idea that we are being asked to throw our money into a bottomless pit of despair and corruption.

It must be possible to support *and* promote at the same time, to equip the recipients of our aid for independent growth instead of stunting

their prospects: to give, in other words, with both hands.

REFERENCE

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