

SUPPORT EFFECTIVE PUBLIC POLICY



Helping to propel government toward greater and more impactful action on inequality

The need for business action

Public policy has a critical role to play in reducing inequality and in supporting the efforts of business to play its part. Only government can make policy, but business has a profound influence on the policy-making process and its outcomes. Corporate influence, in conjunction with public-private partnerships, can be used to encourage and inform effective public policy responses to inequality.

US\$ 3.12B

spent on lobbying by business interests in the US in 2021

Catalyzing business action

Proactive business action to support effective public policy includes:

- 1 Engaging with policymakers and other partners to shape and provide political support for measures to tackle inequality**
Businesses are ideally placed to provide relevant data and insight that can support policymakers in addressing inequality. Companies can also explore policy advocacy partnerships with peers, civil society organizations, international institutions and foundations.
- 2 Ensuring consistency between a company's policy influence activities and the goal of tackling inequality**
Companies can review the full range of their efforts to influence policy (including through industry associations) and actively discontinue efforts which do not align with tackling inequality.
- 3 Providing full transparency on corporate policy positions and political influence activities**
Companies can disclose the sums they are spending to influence government policymaking through various channels, and the policy positions their activities support and how those contribute to or conflict with the goal of reducing inequality.

The business case

For companies committed to tackling inequality, supporting effective public policy is a critical tool for achieving impact at scale, and for leveling the competitive playing field for new business models and practices. Specific benefits include:



Fostering trust and building reputation: Supporting effective public policy is critical to protecting and strengthening corporate reputation, social license to operate and trust among employees, consumers and society at large.



Staying ahead of the regulatory curve when it comes to disclosure: Supporting public policies designed to tackle inequality can also help companies be proactive in responding to increasing demand for disclosure in this area from governments.



Meeting stakeholder and investor expectations: Civil society groups are coming to see political influence as a core component of corporate responsibility and have begun issuing guidance for companies in this area. Investors are also beginning to pay attention to companies' political influence activities, seeing lack of transparency and consistency as a source of investment risk.