

# CORPORATE SOCIAL RESPONSIBILITY

## A GUIDE FOR TRADE UNIONISTS

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# WHAT IS 'CSR', AND WHY?

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Congress is pleased to present this guide to corporate social responsibility (CSR) for trade unions. Whether you think CSR is a threat or an opportunity for trade unions, it is a growing phenomenon that we cannot afford to ignore.

Trade unions welcome genuine attempts by companies to integrate social and environmental concerns into their business operations and in their interaction with their stakeholders. We do not accept it, however, as an alternative to the most effective and proven means of increasing the beneficial effects to society of business activities, i.e. through industrial relations and especially collective bargaining in the framework of effective protection of rights and regulations by governments.

Among the most recurring elements in the various definitions of CSR is its voluntary nature. There is little evidence that the growth of CSR initiatives has helped to reduce the number of conflicts between local communities, trade unions and corporations. A voluntary approach is clearly not sufficient and legally binding international social and environmental standards remain the most effective tools to ensure that business has a positive effect on all stakeholders.

That is why we are publishing this resource for trade unions. It is an attempt to explain the concept of CSR in an accessible manner so that unions and their members can engage with CSR initiatives in an informed manner. We hope you find it useful and that it assists trade union engagement with CSR so as to ensure it becomes more about genuine dialogue and not just management systems and checklists.

**David Begg**, General Secretary  
Irish Congress of Trade Unions

# WHAT IS 'CSR', AND WHY?

'Corporate Social Responsibility', or CSR for short, is a relatively new term that has suddenly gained currency. Hundreds, indeed thousands, of companies are adopting 'ethical policies' or 'codes of conduct' saying how they intend to behave. So what's it all about?

More and more companies are signing up to such initiatives as the United Nations Global Compact or the Fair Labor Association. They are joining bodies such as World Business Council for Sustainable Development and CSR Europe. On both sides of the Atlantic there are myriads of conferences and 'initiatives', where corporate 'CSR Executives', some even from companies with a long anti-union record, meet up with campaigns, NGOs and indeed trade unions.

Take the example of **McDonald's**. In the 1990s, the hamburger corporation took two campaigners through a long and exhausting libel court case in London after they criticised its corporate practices. Then there was the 2004 film 'Super Size Me'. Its public image thoroughly dented, today McDonald's leaflets in the UK show happy local farmers producing organic crops for healthy meals.

Or the oil company **Unocal**, which was severely criticised for knowingly using forced labour to construct a pipeline in Burma, a country run by a vicious regime and subject to an international boycott. Unions in the US, UK and others in the international ICEM federation mobilised investor support at shareholder meetings. Labour rights' groups in the US took Unocal through the courts. Unocal now has a huge area on its website devoted to CSR.

So what is CSR? Is it just PR or is there more to it than that? And why has it become such a hot topic?

In fact, CSR means different things to different people. However, certain ideas are becoming commonly accepted. One is that CSR is not about philanthropy or charitable work. It refers to something much more fundamental. It is about how companies take responsibility for their actions in the world at large.

**Interpreted in its broadest sense, CSR includes:**

**Economics:** corporate behaviour not just towards shareholders by increasing profits, or between companies that have agreed contracts, or to consumers, or even just to workers by providing secure and worthwhile jobs - 'Decent Work' in the term of the International Labour Organisation - but far greater questions of companies' role in creating both wealth and poverty around the world; this includes their responsibility to pay taxes;

**Politics:** the power and influence of corporations over governments and intergovernmental bodies (such as the International Monetary Fund and World Trade Organisation) to promote privatisation and 'open-door' policies towards foreign investment; or their role in sustaining corruption; or collaboration with repressive regimes;

**Society:** companies' behaviour towards the local communities where they are situated, as well as to society at large, for example their contribution towards combating human rights abuses or HIV-Aids, or how their business relates to the United Nations' 'Millennium Development Goals';

**Environment:** the ecological impact of companies, locally and on a global scale.

CSR refers, in sum, to the responsibility of companies, large and small, towards the greatest question facing humankind: sustainable development for the people and the planet.

This is important because some global corporations today are bigger economies than many countries, and more powerful than many governments.



# WHAT IS 'CSR', AND WHY?

## HOW CSR DEVELOPED

Many of the issues of Corporate Social Responsibility, and not just those related to employment, have been on the trade union agenda for a long time. Yet within the past decade this term 'CSR' has come to the fore. Along with it has come a new lexicon of 'corporate codes of conduct', 'monitoring' and 'verification'. There are new roles for 'stakeholders' and 'Multi-Stakeholder Initiatives', and a rapidly growing 'social audit' business with a new breed of professional 'compliance executives'. And there are legions of seminars and conferences, pilot projects and evaluations, plus of course publications and websites galore.

The development of CSR is a reflection of the neo-liberal global economy, where private corporations have gained economic and political power. Today, 51 of the world's 100 largest economies are corporations.

**"Over the past twenty years, the legal rights of powerful corporate entities have been dramatically deepened and extended. Through the World Trade Organisation and regional and bilateral trade agreements, corporations now enjoy global protection for many newly introduced rights. As investors, the same companies are legally protected against a wide range of governments' actions.**

**Workers' rights have moved in the opposite direction. And it is no coincidence that the rise of the 'flexible' worker has been accompanied by the rise of the female, often migrant, worker. The result is that corporate rights are becoming ever stronger, while poor people's rights and protections at work are being weakened, and women are paying the social costs."**

'Trading Away Our Rights: Women Working in Global Supply Chains',  
Oxfam, 2004

In their employment practices, as we trade unionists know to our cost, many corporations are not being responsible in providing what the International Labour Organisation terms 'Decent Work'. Companies have been reducing their labour costs by relocating production away from areas where relatively good labour protection laws and industrial relations had been established, to countries and special Export Processing Zones where genuine unions are weak or even banned and labour protection barely exists. They have shifted from employing people on permanent contracts to all manner of temporary arrangements, thereby avoiding pensions, maternity rights, and other benefits for their workforce. They have developed new forms of business organisation, particularly outsourcing and subcontracting, again in order to shirk their responsibilities. 'What goes on in our subcontracted factories is not any business of ours' was a stock answer by many big corporations as they restructured in the 1990s.

Many corporations are also in the dock when it comes to the environment. The failure of the US Government to sign up to the Kyoto Protocol is widely believed to have been motivated by the influence of the oil business in the Bush administration. From country after country come reports of companies not paying for the clean-up of the pollution or damage they produce. Then there is the problem of tax-avoidance, where private enterprises go out of their way to pay not a cent more than they must to the public exchequer, no matter how high their profits.

## 'RESPONSIBLE' OR 'ACCOUNTABLE'?

The difference between the terms 'responsibility' and 'accountability' in English may be fine but it is important. 'Accountability' implies that corporations are answerable to the rest of society – their duties and our rights. By contrast, 'responsibility' suggests that it is enough for companies merely to assume this state for themselves. This is why many trade unionists prefer the term 'corporate accountability'.

## AS LEGISLATION WEAKENED...

Of course, in each country there are laws which govern how private businesses should behave, whether in terms of their employment practices, environmental duties, and so on. However, as part of the global shift towards neo-liberal market policies, governments have increasingly shied away from enforcing these laws, let alone bringing in stronger ones, for fear their country will 'lose out in the global marketplace'.

There are also important international agreements and guidelines to which global corporations are supposed to adhere - drawn up by governments meeting in United Nations

bodies and elsewhere since the late 1970s (see Section 2). However, they are voluntary, with no powers of enforcement.

Instead of firm legislation and inspection aimed at keeping the behaviour of corporations within acceptable boundaries, CSR developed. In fact, some see CSR as yet another form of privatisation promoted by governments seeking low cost-low maintenance solutions for themselves by hiving off inspection and enforcement to 'civil society' - to NGOs and to the private sector itself.

**CSR "should complement and in no way replace legislation on social and environmental rights or standards set by collective bargaining".**

European Trade Union Confederation (ETUC)

Mark Henley/Panos







# WHAT IS 'CSR', AND WHY?

Olak Kraak/Clean Clothes Campaign



Anti-sweatshop campaigners have been the most successful at generating public opinion against abusive corporations. Here, the 'Play Fair at the Olympics' campaign, a coalition of Clean Clothes Campaign, Oxfam, and trade unions, stage an Athens rooftop 'sew-in' on the opening day of the 2004 Olympics to draw attention to the plight of the workers who make sportswear. See also page 37.

## ...IN STEPPED THE PEOPLE

As the 'regulation gap' widened, in stepped the people, ordinary citizens all over the world, organising, forming campaigns and pressure groups, challenging the corporations and governments to fulfil their responsibilities and be more accountable.

Concern for the environment and the notion of 'sustainable development' gained momentum. At the Rio Earth Summit in 1992 and throughout the 1990s, 'anti-globalisation' protestors joined human rights activists, Third World development NGOs, concerned religious groups, environmentalists, women workers' groups and trade unionists into a worldwide movement against free trade and market-driven economics, and for an economics based on social and environmental principles.

They have held World Social Forums to coincide with the World Economic Forums where business and governments meet. There are coalitions and student-based movements that are anti-sweatshop and for 'clean

clothes'. The oil/gas corporations have been a focus for their environmental (ir)responsibilities and the link between their activities and climate change, and also for their collusion with military groups in conflict areas. Other companies have been put under pressure by a movement of ethical investors, opting for shares and lobbying for their pension funds to invest in companies that have socially responsible practices. And of course, consumers have been voting with their feet, shifting to 'Fair Trade' and organic alternatives where these exist.

The Internet has become an invaluable tool for grassroots organisations to exchange information about how companies are behaving, even in distant places, and develop global strategies in response. This groundswell of 'anti-corporate' activism has had a serious impact on some of the world's largest corporations, and the rapid rise of CSR is one of the major results. It just shows how worthwhile campaigning can be.

**Over nine out of ten British people think that companies should report on their impacts on both society and the environment, and should check that each of their suppliers are behaving properly.**

MORI Poll, 2005, Guardian, 28 November 2005

## WHO GOT INTERESTED?

For some companies, particularly those selling to mass markets, reputation and 'brand image' are extremely important. Most vulnerable to consumer campaigns are the well-known brand companies and retailers in the clothing and sportswear sector, such as **Nike, Gap, Reebok, adidas, M&S, and C&A.** **Gap** and **Nike** in particular were stung by international boycotts, and both are now key companies in a myriad of CSR initiatives.

The producers/retailers of other consumer goods such as toys, food and cut flowers have also had to face campaigns for the labour rights of the workers producing their products. Retailers such as **Tesco** are conscious of the growing market for 'fairly traded' and organic food products. Others competing to provide services to the mass market, such as banks and mobile phone operators, have also seen 'ethics' as a possible route to win customers.

But, when looking at which companies belong to CSR initiatives, at national and international level, the same names crop up repeatedly. This indicates the limitations of public campaigns. For thousands of companies, brand image is not a significant factor. Many are simply selling goods or services to other companies. Moreover, CSR is much less found among corporations whose main operations are outside the consumer markets of Europe and North America. And there will always be those who want to stay 'below the radar screen'.

CSR initiatives are voluntary too. Companies can choose to engage or not. The companies that are responding are doing so because it is in their interest. There are many more for whom it is of little or no consequence.

**Out of 65,000 MNCs worldwide, only about 4,000 produce any kind of report on their social or environmental performance.**  
id21 insights, April 2005

Meanwhile, there are fundamental questions relating to the global economy that CSR does not yet address. There is, for example, the impact on countries of companies investing and then disinvesting again. The current shift of garment jobs to China is causing the loss of thousands of jobs and vital export revenues in poor countries such as Bangladesh, Lesotho, and Indonesia. What is the responsibility of a corporation when it makes such a move?

There is little sign yet too that CSR is affecting the decisions of the major bodies that oversee the world economy, the World Trade Organisation, the International Monetary Fund, and the World Bank. They are, for example, making it virtually impossible for developing countries not to privatise vital public services such as water and electricity into the hands of foreign corporations. The WTO is also insisting that developing countries treat incoming foreign corporations exactly the same as home-grown companies ('national treatment'), even though this is unfair competition. Then there is the question of increasing private ownership by corporations of the world's natural resources, through the copyrights and patents allowed by the TRIPS agreement of the WTO.

If CSR is to make a significant impact on corporate behaviour, such fundamental questions will also need to be brought into the equation. And this means persuading the governments that dominate these institutions that this is what we want.



Photo: Eve Mitchell/Friends of the Earth



# WHAT IS 'CSR' AND WHY?

## WHAT'S IN IT FOR BUSINESS?

Why do companies become involved in CSR? Why have activists, NGOs, and trade unions joined them in this? What are the theories and arguments that lay behind these trends?

### The Business Case

**“This is not a sudden discovery of moral virtue or a sense of guilt about past errors. It is about long-term self-interest – enlightened, I hope, but self-interest nonetheless”.**

Sir John Browne, Chief Executive, BP  
Quoted by Joel Bakan, 'The Corporation', 2004.

**“Socially responsible business practices affect all the aspects of business operations and contribute significantly to corporate productivity and profitability.”**

Business for Social Responsibility  
Quoted in AMRC, 2004.

For those corporate managers involved in CSR, the aim is to build 'the business case for CSR' and 'marry the commercial with the ethical'. Some talk about the 'Triple Bottom Line' which links the financial, environmental and social performance of companies, or the 'Triple P: People, Planet and Profit'. Global competition is, for them, either positive or unavoidable. So 'responsible competitiveness' becomes the watchword. They might even gain market advantage from it.

Their hope is that being seen as 'socially responsible' will bring the company enhanced brand image and

reputation, customer loyalty and increased sales. Or it might give them better access to capital by attracting shareholders, or better access to partnerships with the public sector. To them, CSR makes business sense.

**“The fact is that CSR isn't optional any more. Any business with bad practices will end up in the media with fingers pointing at it.”**

Tina Roche, CEO, Business in the Community, Ireland  
Irish Times, 27 May 2005

**“The management of Corporate Social Responsibility (CSR) is increasingly considered by businesses to be a competitive instrument, necessary to satisfy the needs of today's well-informed stakeholders such as customers, suppliers, employees and shareholders... CCI is planning to develop initiatives to promote awareness of the potential of CSR among SMEs (Small- and Medium-Sized Enterprises).”**

Chambers of Commerce of Ireland  
[www.chambers.ie](http://www.chambers.ie)

However, in the 'business case' for CSR, there is to be no negative impact on profit, share value or returns for investors. The fundamentals of capitalism are not up for discussion.

Also, of course, society is demanding changes in corporate behaviour for which there is not always a 'business case'.

**“The problem is that the 'sustainability' of an enterprise is not always the same as the 'sustainability' of society meant in the concept of sustainable development. In other words, there is not always a business case for socially responsible behaviour.”**

International Confederation of Free Trade Unions

'The Corporate Social Responsibility concept and phenomenon: Challenges and opportunities for trade unionists', by Dwight Justice, ICFTU Multinational Enterprises Department

Photo: Quilai Shen/Panos



### The power of market persuasion

Radical right-wing economists, such as Milton Friedman whose theories so inspired Margaret Thatcher, have always held that governments should be limited to just a few functions such as territorial security. Others may regret it but believe that governments have indeed lost the capacity to contain corporate power and so are becoming irrelevant. Therefore, in this view, corporations should take on the challenge themselves.

**“In many regions, state actors are either unable (e.g. failed or failing states) or unwilling (e.g. for political reasons) to enforce the rule of law. MNCs remain the only actors that have the expertise and the resources to restore lawful conditions and implement labour rights.”**

Auret van Heerden, President/CEO,  
Fair Labor Association, US  
International Union Rights, Vol.12/1, 2005.

Others believe that it will be up to the public to make corporations behave properly.

**“We should be directly pointing the finger at businesses, not even bothering with the governments”.**

Anita Roddick, founder of the Body Shop and environmental activist  
Quoted by Joel Bakan, The Corporation, 2004

In this view, enough pressure can come from the marketplace. Citizens can and must make their voices heard in the boardrooms, particularly through the market choices we make as consumers, shareholders, and pension fund investors. The terms ‘consumer democracy’ and ‘shareholder democracy’ have been coined.

Some disagree. Some say that this ignores the very mechanism by which capital realises value - “the accumulation of unpaid, alienated labour” - according to classical Marxist theory. In any case, the argument runs, can ‘marketplace democracy’ really be strong enough to force companies to do such radical and costly things as take on board (‘internalise’) the costs they now make society and the environment pay (‘externalise’)? The impact on their profit and share values would be enormous.

Others point to the unequal power relations within the market. Elaine Bernard, executive director of the Trade Union Program at Harvard University, US, says, “the humblest and wealthiest are totally asymmetrical... That’s one of the reasons historically we’ve always felt the need to regulate markets”. In fact, the vast majority of the world’s people are too poor to be part of consumer or investor markets, let alone use any muscle there.



# WHAT IS 'CSR', AND WHY?

## The corporation as psychopath

Joel Bakan is someone who believes that CSR is in any case an "oxymoron". In a book and award-winning film released in 2004, he analyses corporations as "institutional psychopaths". Joel Bakan is a professor of law at the University of British Columbia, Canada, and he bases his analysis on the laws governing the behaviour of corporations.

According to Bakan, under US and British law the corporation is legally designated as 'person' who/which must promote its own self-interest and cannot do otherwise. So, for business leaders, social and environmental goals are and must be strategies to advance the interests of their companies and shareholders. They can never legitimately be ends in themselves. In fact, social responsibility is not appropriate when it could undermine a company's performance.

**"Corporations have only one duty: to promote their own and their owners' interest. They have no capacity, and their executives no authority, to act out of a genuine sense of responsibility to society, to avoid causing harm to people and the environment, or to work to advance the public good in ways that are unrelated to their own self-interest..."**

**"Corporations may act in ways that promote the public good when it is to their advantage to do so, but they will just as quickly sacrifice it - it is their legal obligation to do so - when necessary to serve their own ends."**

Joel Bakan, *The Corporation*, 2004

Bakan takes the standard diagnostic checklist of psychopathic traits and measures corporate behaviour against it. He finds corporations irresponsible, manipulative, grandiose, lacking in empathy, unable to feel remorse, and relating to others superficially - all asocial tendencies which, in a human being, we would abhor. He says, "I developed the idea that the corporation, deemed by the law to be a person, had a psychopathic personality, and that there was something quite bizarre, and dangerous, in such an institution wielding so much power".

This is not to say that individual business managers are psychopaths. In their personal lives, many are honourable people. For Bakan, it is the corporate entity that is psychopathic, an important distinction.

Interestingly, CSR is not as new as some perhaps think. Bakan shows how, as they grew in the 19th century, corporations managed to overturn public fears and legislation enacted precisely to curb what was seen as their 'anti-social' nature. CSR blossomed again during the 1930s, when many believed that corporate greed and mismanagement had caused the Great Depression. The popular sentiment among business leaders of the time was voiced by Gerard Swope, then president of General Electric, who said "organised industry should take the lead, recognizing its responsibility to its employees, to the public, and to its shareholders rather than that democratic society should act through its government".

## CORPORATE TAX-DODGERS

In order to provide vital public services, governments must raise revenues. However, corporations are notorious for avoiding taxes so as to boost profits. They move to special 'tax exempt' locations. Or they 'massage' the price of goods and services paid between their own business wings in different countries ('transfer pricing') or engage in other 'creative accountancy'.

**"Copper production in Chile has more than tripled since 1990 and now represents almost 40% of world copper exports. Yet since 1990, private mining companies, with only one relevant exception, did not pay taxes between 1993 and 2002."**

'id21 insights', No. 54, Institute of Development Studies, UK, April 2005

**"Transferring production to areas with tax exemptions, for the sole purpose of paying less or no tax, with no accountability to the employees and the local economy is ... not socially responsible"**

Dutch trade union federation FNV Mondiaal

'Corporate Social Responsibility in a Global Perspective', July 2004.

The Tax Justice Network was set up in 2003 after discussions at the European and World Social Forums. It aims to make corporations and wealthy individuals face up to their tax responsibilities. [www.taxjustice.net](http://www.taxjustice.net)



The belief that community activism, political dissent and market choices can be a substitute for government regulation is “dangerously mistaken” to Bakan. He thinks it will lead to ‘socialism for the rich’ and ‘capitalism for the poor’, in George Bernard Shaw’s phrase. He also says it ignores the fact that corporations actually depend on governments for their existence. “Without the state, the corporation is nothing.” It is a mistake to think that governments have become weak; they have become weaker at protecting the public interest but stronger at protecting corporate interests, according to Bakan.

So, CSR is “more than just a marketing strategy, though it is certainly that... it presents corporations as responsible and accountable to society and thus purports to lend legitimacy to their new role as society’s rulers”.

The challenge for Bakan, like so many others, is to find ways to control the corporation – to subject this institution to democratic constraints and protect citizens from its tendencies.

For yet others, the challenge is also a much longer term one, to see in the corporation not what it is now but what it could be. For these visionaries, CSR bears the seeds of a future where the corporation is so changed that it really is part of a humane and democratic world.

### **‘The Corporation: the Pathological Pursuit of Profit and Power’**

Film and book

[www.thecorporation.com](http://www.thecorporation.com)

**“CSR is not something that is just an ‘add on’ for our business. Finding the right business models to reach social as well as economic goals represents a major challenge but also a great opportunity.”**

Franck Riboud, CEO, Danone Group

CSR Europe press release

**“We are not looking for ‘best practice’ within a race to the bottom. The race to the bottom is not acceptable.”**

Lynda Yanz, Maquila Solidarity Campaign, Canada

Photo: Quilaj Shen/Panos





## GOVERNMENTS OFF THE HOOK?

**“CSR must not be a means for business to redefine or reinterpret its existing responsibilities. CSR must not become a substitute for the proper functions of government.”**

International Confederation of Free Trade Unions (ICFTU)

The emphasis of CSR is on the private sector, but this should not relieve governments of their duty to regulate markets. Trade unions and many other civil society organisations are still demanding better regulation, better enforced.

At the national level, this means arguing for greater government intervention, to restrain corporate behaviour, strengthen corporate taxation, and renew public enforcement agencies and inspectorates. Better regulation is possible, as was seen recently in the coalition that came together to achieve the Gangmasters (Licensing) Act of 2004 aimed at halting the gross exploitation particularly of migrant workers in the UK.

Other interesting new approaches are being developed too. One is to influence the purchasing practices ('procurement') of public institutions, and it goes beyond buying fair trade tea and coffee for their offices. There is a new focus on 'ethical sourcing' by government bodies, particularly on the work wear of public employees such as transport and health workers.

In France, 250 communities, large and small, have adopted a resolution to take labour standards into account when tendering for new clothing orders. In Spain, three local authorities including Barcelona now have an extensive programme of ethical procurement. Meanwhile, in the UK, Cardiff University is carrying out a survey of local authority purchasing policies, and the Ethical Trading Initiative has a project concerning National Health Service uniforms.

There are also demands on governments to incorporate human rights and other standards in their relationships with the private sector. When getting involved in Public-Private Partnerships, Private Finance Initiatives, contracting out, or awarding subsidies or export credits to private companies, governments could and should be selecting only those that adhere to the fundamental standards of the United Nations and International Labour Organisation (ILO).

At the international level, governments are still only agreeing to voluntary standards for corporations, mechanisms that work by example or persuasion rather than with any teeth. These include the UN Global Compact, ILO Conventions, OECD Guidelines, and other instruments described in Section 2.

However, since we are dealing with global corporations, there is a growing clamour for international regulation - that is binding, with enforcement mechanisms. Interestingly, an increasing number of global company managers are reportedly in favour of this, to clamp down on competitors who maintain their competitive edge by acting illegally or immorally. However, the main need is to impress national governments with this argument, as they are the only ones who have the power actually to implement it.

So, enforceable legislation remains necessary and a fundamental demand. Perhaps the role of trade unionists is to take on CSR and use it - towards the greater goal of stronger, better enforced legislation, nationally and internationally.

**“We do have to regulate the free market. If we followed purely a 'moral' approach, then no company should source in China today.”**

Neil Kearney, General Secretary  
International Textile, Garment and Leather Workers' Federation (ITGLWF)

## IF PROOF IS NEEDED

For proof that government regulation works better than voluntary codes, there is the work of the International Baby Food Action Network (IBFAN). They monitor how food corporations such as Nestle and Danone implement the International Code of Marketing of Breastmilk Substitutes, adopted by the World Health Assembly in 1981 as a "minimum requirement" to protect infant health.

IBFAN's 2004 report 'Checks and Balances in the Global Economy: Using international tools to stop corporate malpractice – Does it work?' draws on case studies from seven countries, including England.

**"Where there is independently monitored and enforced legislation, violations are stopped and breastfeeding rates are increasing. Where Nestlé's strategy of pursuing voluntary codes has succeeded, violations remain widespread."**

Baby Milk Action, UK

IBFAN provides a very interesting example of an international campaign drawing on the work of supporters, including health workers, around the world. In the UK, the Royal Colleges of Nursing and Midwives are among those involved in the related Baby Feeding Law Group. IBFAN has achieved a voice which governments, international bodies, and companies find very hard to ignore.

[www.ibfan.org](http://www.ibfan.org)

## WHAT ABOUT THE REAL CORPORATE CRIMINALS?

If we can now take individuals to the International Criminal Court in the Hague, why not corporations that violate human rights? Support for this idea is growing. France has made proposals along these lines. However, there are reports that the US and UK Governments are opposed. Perhaps the Irish Government would back the idea.

**"Global legislation against criminal behaviour in individuals is now operating. So why not corporations? Criminal behaviour should not be able to hide behind the shell of a corporate entity. The ICC could have a role in this."**

Conor Lenihan, Minister of State, Republic of Ireland  
ICTU meeting on CSR, 21 June 2005







# WHAT IS 'CSR', AND WHY?

## NIKE: HOW TIMES CHANGE



In the early 1990s, Nike liked to say that it was not responsible for the working conditions in its supplier factories around the world. Remember that Nike makes nothing; it is just a superior design and marketing machine, selling the sportswear that subcontracted factories produce for it.

Nike's denial of responsibility was obviously not good enough, and it came under a lot of sustained pressure, particularly from students on US campuses (United Students Against Sweatshops), many of which have sports teams sponsored by Nike. Nike developed a code of conduct. But the treatment of workers at its supplier factories around the world remained bad, the pressure continued, and sales dropped.

Today, Nike has a Vice-President and a team dedicated to corporate responsibility. It is a member of the Fair Labor Association in the US, and many other CSR initiatives. Its CEO Phil Knight has posted a 'mea culpa' for its past sins on the Nike website.

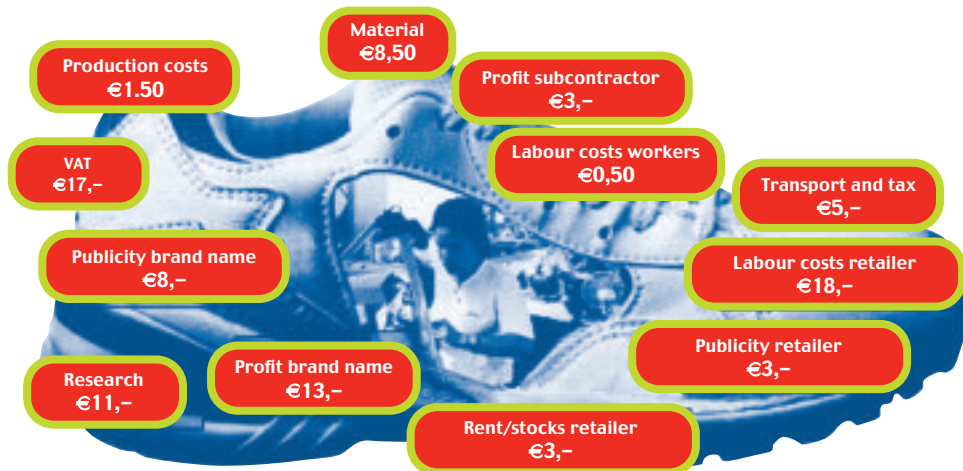
In April 2005 the company took a ground-breaking step. It issued a corporate responsibility report which for the first time includes a list of its 700+ suppliers around the world. Now anyone can check real working conditions against the list, and call Nike to account. Plus the list is intended make other companies follow suit. Phil Knight announced, "We are disclosing our supply chain in an effort to jump-start disclosure and collaboration throughout the industry".

Nike now has signed up to respect freedom of association and collective bargaining, and consults with trade unions through its membership of the FLA. But, as always, the devil is in the detail. An advert for a Human Resources Manager had to be hurriedly withdrawn from its website after complaints that the job description included an ability to maintain a 'union-free environment'. No unions are yet mentioned in its website list of 'Selected Stakeholders'.

And, just as Nike was developing its social conscience, it shifted sourcing out of Indonesia to China and Vietnam. 7,000 Indonesian jobs were lost at a supplier that Nike had been using for eleven years. Nike says that it was a business decision made by the Indonesian supplier but Monina Wong of the Hong Kong Christian Industrial Committee thinks the case illustrates "exactly how, at critical moments, 'the corporate' always comes before the social" (Asia Monitor Resource Centre, 2004).

[www.nike.com/nikebiz/nikebiz.jhtml?page=24](http://www.nike.com/nikebiz/nikebiz.jhtml?page=24)

## Price make-up of a 100 euro Sport Shoe



"We want a commitment from companies also to assess such things as the percentage of a country's GNP (Gross National Product) that comes from their exports, and therefore what is the impact when they leave that country again."

Lynda Yanz, Maquila Solidarity Campaign, Canada [www.maquilasolidarity.org](http://www.maquilasolidarity.org)

# A CLOSER LOOK AT 'CSR'

There are now so many different directions in which CSR is developing it can be very confusing. An ILO database 'Business and Social Initiatives' (BASI) lists some 900!

This section attempts to describe the most significant, to see how they can be used by trade unionists. It is, of course, not comprehensive, but aims to provide a useful guide. We start at the global level.

## INTERNATIONAL INTERGOVERNMENTAL STANDARDS

### International Labour Organisation (ILO)

For trade unionists, the most important international instrument is the 'Declaration on Fundamental Rights and Principles at Work' adopted by the ILO, a body of the United Nations, in 1998. This confirms that all workers in all countries have the rights to:

- form and join unions ('freedom of association') and to bargain collectively with employers
- be free from forced or compulsory labour
- be free from child labour
- be free from discrimination in the workplace.

This Declaration stands at the pinnacle of a wide range of other ILO Conventions and Recommendations which set standards for the treatment of workers around the world, with the aim of achieving what the ILO calls 'Decent Work' for all.

[www.ilo.org/public/english/standards/index.htm](http://www.ilo.org/public/english/standards/index.htm)

The ILO is a 'tripartite' body, with representatives of governments, employers and employees having equal status. All decisions are reached by agreement between the three. ILO standards are aimed largely at governments, which are supposed to ratify them and then enact them in national legislation.

To what extent do ILO standards also apply to private companies? Lord Bill Brett, Director of the ILO London office, former Chairperson of the ILO Workers' Group and of the ILO Governing Body, is in no doubt. There is no excuse for companies not to uphold ILO standards, he says.

**"All decisions of the ILO are agreed by employers, employees and government bodies jointly. So any company ought to be able to endorse the Declaration and its principles."**

Lord Bill Brett, Director, ILO London office

Photo: Dieter Telemans/Panos





Photo: Jon Spaull/Panos



## ILO Tripartite Declaration of principles concerning multinational enterprises



When it comes specifically to standards of corporate behaviour, the ILO adopted the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, as early as 1977. It was revised in 2000 to incorporate the Declaration on Fundamental Rights. However, the principles are voluntary and 'promotional'. There has never been a process by which the Declaration can be used to halt actual abuses.

The ILO department that oversees the application of the Declaration (the Multinational Enterprises Programme) is running a database on 'Business and Social Initiatives' (BASI) where searches can be made on individual companies, with information supplied by the Global Unions, NGOs, companies and governments.

[www.ilo.org/public/english/employment/multi/basi.htm](http://www.ilo.org/public/english/employment/multi/basi.htm)

Also the ILO London office, of which Bill Brett is Director, is currently piloting a scheme to monitor the CSR reports of all UK and Irish companies against the UN and ILO Declarations. They will be writing to advise companies, and if any company is unwilling to take this advice on board, the ILO can make the documents public.

The trade union movement is looking to the ILO to take a much stronger leadership role in CSR. After all, it is the only international forum where employers, governments, and workers are equal partners and reach joint decisions, especially on international labour standards. On 4 July 2005, a new ILO 'CSR Committee' held its first meeting.

[www.ilo.org](http://www.ilo.org)

### United Nations 'Global Compact'

In 2000, UN Secretary General Kofi Annan launched the Global Compact. Aware of the growing public backlash against 'globalisation', his aim was to challenge business leaders to "embrace, support and enact" ten basic principles on human rights, labour rights, the environment and anti-corruption.

At the Rio Earth Summit a decade earlier, there had been attempts by the UN Centre on Transnational Corporations to include recommendations for the environmental regulation of corporations in Agenda 21 (the UN's global plan of action). There was also an attempt to draft a binding Code of Conduct for TNCs. However, the Centre was subsequently wound up.

Now companies are encouraged to incorporate the ten principles of the Global Compact into their business mission statements and activities, and to send in annual progress reports which are put up on the Global Compact's website. Since its launch, some 2,200 companies from more than 80 countries have signed up to the Compact. The ILO is involved, as are Global Unions (ICFTU as well as ICEM, IMF and UNI), plus national trade unions from Spain and Denmark

The Global Compact is voluntary. The focus is on encouraging companies to improve. However, under a new Governance Framework, any company that fails to provide a progress report for two years in a row will be named as 'inactive'. Also, there is now a complaints mechanism which could lead to a company becoming 'de-listed'. Integration with the ILO Principles and OECD Guidelines is improving too.

Also, the UN is starting to integrate the Global Compact across its various bodies, and into its own procurement and staff pension-fund activities.

[www.unglobalcompact.org](http://www.unglobalcompact.org)

### Draft UN Norms on Business and Human Rights

Despite the existence of the Global Compact, the UN Sub-Commission on the Protection and Promotion of Human Rights adopted this set of Norms in 2003. They took four years of wide consultation to develop, and draw together a much wider range of existing international human rights instruments, ILO standards, environmental declarations, anti-bribery conventions, and so on. They make a clearer statement that business has responsibilities to promote and fulfil all of them, and that all states should ensure that the private sector does so. There are proposals for monitoring and verification by the UN. A few companies have agreed to 'road test' the Norms.

Whether the draft UN Norms will be adopted remains to be seen. Amnesty International says, the Norms "have been subjected to intensive and concerted attacks largely based on false or misleading information by industry bodies such as the International Chamber of Commerce (ICC), International Organization of Employers (IOE), and the US Council for International Business (USCIB)". The ICC and many of the members of these bodies have signed up to the Global Compact but clearly don't want the stronger Norms to succeed. The US Government is reportedly very opposed, seeing the draft Norms as 'anti-business'.

The ICTU has made representations to the Irish Government to continue supporting the Norms and play a part in how they develop. They are a litmus test of the international community's commitment to improving the social and environmental impact of companies.

In April 2005, the UN Commission on Human Rights asked the Secretary General to appoint a Special Rapporteur on business and human rights. Professor John Ruggie, a main architect of the Global Compact, was appointed to the position in July.

[www.amnestyusa.org/business/un\\_norms.html](http://www.amnestyusa.org/business/un_norms.html)

[www.corporateeurope.org/norms.html](http://www.corporateeurope.org/norms.html)



## OECD Guidelines on Multinational Enterprises

The Organisation for Economic Cooperation and Development (OECD) comprises thirty states from the industrialised countries plus some from the Central-Eastern European region. It has advisory committees from the international trade union movement TUAC, as well as business BIAC. In 2003, OECD Watch was also formed by NGOs interested in corporate power and workers' rights.

In 1976, the OECD member countries adopted 'Guidelines for Multinational Enterprises'. Revised in 2000, the Guidelines cover such areas as human rights, disclosure of information, anti-corruption, taxation, labour relations, the environment, and consumer protection. ILO standards, including those in the 1998 ILO Declaration, underpin the Guidelines. Companies are encouraged to apply the principles in their suppliers and subcontractors.

Alongside the ILO Tripartite Declaration, the OECD Guidelines are the only other global corporate responsibility instrument that has been formally adopted by governments. They apply to companies operating in the thirty OECD countries plus nine more states that have signed up to them. The commitment to apply them is binding on these countries, and each one has a National Contact Point (NCP), usually located in the trade or foreign ministry. Anyone can make a complaint to a NCP about a company operating in that country. Or, in a country which has not signed up to the Guidelines, a case can be submitted to the NCP in the company's home country. The NCP for Ireland is in the Bilateral Trade Promotion Unit of the Department of Trade, Enterprise and Employment, and for the UK is in the Department for Trade and Industry.

However, NCPs are mostly pretty toothless, and few people even know they exist. A TUAC analysis of some 50 complaints taken up with NCPs over five years shows cases left to drag on, directed elsewhere, or other excuses found. NCPs invoke legal reasons why they cannot make a decision, or there can be political interference. OECD Watch notes a general lack of 'development' awareness among NCPs.

TUAC and OECD Watch are urging trade unions and NGOs in each country to lobby for an NCP advisory board, parliamentary scrutiny, multi-ministry involvement and, above all, active promotion by their government of the Guidelines to which they have signed up. Governments should come under pressure to make sure that the Guidelines are respected in their own public procurement and the awarding of public subsidies. There are also new OECD guidelines for state-owned enterprises.

In the end, there are no formal sanctions for companies that do not respect the OECD Guidelines. It is hoped that public approbation will do the trick. TUAC advises that the Guidelines "are not the ultimate solution but they can play a role in addressing corporate malpractice". TUAC would like to see unions making more use of the Guidelines in their negotiating strategies and campaigns.

A 'Users' Guide for Trade Unionists' is on the TUAC website, and a 'Guide to the Guidelines' on the Friends of the Earth website. Both are of great use to trade unionists.

[www.oecd.org](http://www.oecd.org)  
[www.tuac.org](http://www.tuac.org)  
[www.oecdwatch.org](http://www.oecdwatch.org)  
[www.foe.org/oecdguidelines](http://www.foe.org/oecdguidelines)

**"Enterprises should... contribute to economic, social and environmental progress with a view to achieving sustainable development."**

OECD Guidelines on Multinational Enterprises



## COMPANY CODES OF CONDUCT

Responding to the public pressure of recent years, many individual companies have adopted a 'code of conduct', sometimes referred to as 'a code of ethics' or 'international operating principles'.

In fact, Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers' Federation (ITGWLF), estimates there are 10,000 such codes in existence. There are many in the industries he represents because this is where the campaigning has been most felt.

To see an example of such a code, you can find **Nike's** at:

**[www.nike.com/nikebiz/nikebiz.jhtml?page=25&cat=code](http://www.nike.com/nikebiz/nikebiz.jhtml?page=25&cat=code)**

Or **adidas'** code at:

**[www.adidas-salomon.com/en/sustainability/coc/default.asp](http://www.adidas-salomon.com/en/sustainability/coc/default.asp)**

The content of company codes varies enormously. Some are just vague assertions of good intentions. Others have clauses detailing respect for human rights, workers' rights and working terms and conditions, environmental standards, and so on, and also indicate how the company will make sure these principles are implemented throughout its global operations. Some use the jargon of financial management, such as 'social Key Performance Indicators'.

However, to Neil Kearney, most company codes are "meaningless, nothing more than fig leaves for exploitation". About 60 million people gain

their livelihood from industries in his sector, and the vast majority are grossly exploited. To him, the CSR industry is "more paper than action", as he told a fringe meeting on CSR at the ICTU Biennial Delegates Conference on 21 June 2005.

One outcome of such a profusion of codes is a lot of confusion on the ground. In the production of many consumer goods, any one supplier factory may be making for a number of buyers, each with its own code. The codes may contain different - and incompatible - standards. One after another, monitors arrive to check how well each one is being implemented.

How to overcome such confusion? The retail federations of the US and Canada, plus the US sportswear company Reebok, have set up the Fair Factories Clearing House to share information on factory audits. **[www.fairfactories.org](http://www.fairfactories.org)**

Also there are efforts to set standards which can be commonly applied to production facilities around the world. There are codes drawn up for a specific industry or sector. The World Federation of Sporting Goods Industries ([www.wfsgi.org](http://www.wfsgi.org)), the Worldwide Responsible Apparel Production (**[www.wrapapparel.org](http://www.wrapapparel.org)**), and the International Council of Toy Industries (**[www.toy-icti.org](http://www.toy-icti.org)**) are all industry bodies with codes.

However, such company or industry codes are unilateral initiatives by corporate managements. They are not the product of social dialogue let alone negotiations involving trade unions.

**"In many factories there are fire extinguishers installed every few meters under different demands, depending on the different brand names produced by the factories."**

Junya Yimprasert, Thai Labour Campaign, AMRC, 2004



## 'MULTI-STAKEHOLDER INITIATIVES'

Recognising that it should not just simply be up to companies to draw up and monitor their own standards, a number of 'Multi-Stakeholder Initiatives' have been founded in recent years. They exist largely in North America and Europe, the home countries of the global corporations, encouraged by governments under pressure from public opinion.

MSIs are forums where representatives of corporate management meet with their counterparts from 'stakeholders' such as trade unions, workers' rights groups, and consumer groups. Some of these MSIs also have their own codes and monitoring systems.

### **Ethical Trading Initiative (UK)**

The ETI was set up in the UK in 1998 with encouragement by the new Labour Government's Department for International Development (DFID). ETI members today include 34 companies (such as **ASDA, Boots, Fyffes, Gap, Levi Strauss, M&S, Mothercare, Next, Pentland, and Tesco**). Other ETI members include NGOs such as Christian Aid, Oxfam, and Anti-Slavery International, plus the Trades Union Congress (TUC), the International Confederation of Free Trade Unions (ICFTU), and the garment workers' international federation ITGLWF.

When companies join the ETI they sign up to a Base Code and commit themselves to making it work throughout their supply chains. This currently implies some 22,000 suppliers. The ETI Code is based on ILO Conventions, including fundamental trade union rights. Companies must report annually on their implementation. They also take part in 'experimental projects' with the NGOs and unions to find the best ways of promoting responsible corporate practice.

The ETI is very much about promotion of CSR by persuasion and example. The ultimate sanction to a member company that infringes the Base Code is only suspension of membership. However, advocates say that through the ETI more companies have become persuaded of the usefulness of trade unions.

**ETI companies are "starting to realise the veracity of what trade unions have said all along: that involving workers themselves, through their trade unions, is the best way of building up an accurate and fair picture of workplaces" and are "encouraging on-site dialogue between workers' organisations and management to build trust and create a mechanism for immediate change."**

Julia Hawkins, Ethical Trading Initiative,  
'International Union Rights', Vol.12, Issue 1, 2005

There are also indications that ETI member companies are increasingly accepting that codes are only a supplement to more effective laws as well as collective bargaining. For example, the ETI led the Temporary Labour Working Group, involving unions and business, which successfully campaigned for the Gangmasters (Licensing) Act of 2004.

[www.ethicaltrade.org](http://www.ethicaltrade.org)

**"This must involve concrete steps. No more debates, round-tables, and so on. There is widespread concern about the social consequences of globalisation, and to those companies who say this is a fad, I say: 'Ignore this at your peril'."**

Richard Howitt, MEP

## Fair Labor Association (US)

As in the UK in the late 1990s, the Clinton Government in the US also founded an MSI. On many campuses, the United Students Against Sweatshops (USAS) had been very active about the big brand-names such as Nike which sponsor university sports teams. Some of the largest US garment producers and retailers were brought into discussion with human rights, labour rights and consumer groups through the Apparel Industry Partnership.

Out of this was founded the FLA, which today involves sixteen companies including **adidas, Liz Claiborne, Levi Strauss, Nike, Patagonia, Puma, and Reebok**, alongside US-based human rights workers' rights and religious groups and nearly 200 US universities and colleges, plus workers' rights groups and unions from developing countries such as Indonesia, Mexico, Pakistan, Taiwan, Malaysia and the Philippines.

The FLA has a 'Workplace Code of Conduct' and, to check how it is being implemented, FLA member companies should make sure that trained monitors visit their supplier factories, and these monitors should:

**"Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so...."**

**"Consult regularly with human rights, labor, religious or other local leading institutions that are likely to have the trust of workers..."**

FLA Principles of Monitoring  
[www.fairlabor.org](http://www.fairlabor.org)

To see how a big US brandname clothing company that belongs to the FLA is responding, see **Liz Claiborne** at [www.lizclaiborneinc.com/rights/history.asp](http://www.lizclaiborneinc.com/rights/history.asp)

## European Multi-Stakeholder Forum on CSR

European Directives have a strong impact on the national legislation of each member country, and therefore the legal framework under which companies operate in the EU. But in March 2000, the European Council Summit in Lisbon made a special appeal to "companies' corporate sense of social responsibility regarding best practices on lifelong learning, work organisation, equal opportunities, social inclusion and sustainable development". The following year, the European Commission launched a Green Paper on CSR, and then in 2002 set up the European Multi-Stakeholder Forum on CSR.

The aim of the Forum was to take a look at best practices and see whether some common guiding principles should be adopted. Over the next two years, meetings were held involving the European Trade Union Confederation (ETUC), national trade unions, NGOs such as Amnesty International and the catholic aid agency Caritas and, for business, the European Business Network for Corporate Social Responsibility, CSR Europe, and the employers' federation UNICE. Their report, a whopping 131 pages with many annexes, was published in June 2004.

Richard Howitt MEP was a Forum member, representing the European Parliament. He says the discussions were often tense. The NGOs nearly walked out of one meeting and at another UNICE said that it didn't agree with there actually being such a forum. Yet eventually there was some common ground.

For example, while CSR is a 'voluntary' concept, everyone agreed that a legal framework is still necessary. Also governments should promote CSR, for example through their procurement of the goods and services they need. Richard Howitt says there was greater recognition that CSR should have broad interpretation, responding to the "social inclusion and sustainable growth" referred to in the Lisbon Summit communique.

We should not underestimate, says Richard Howitt, the power of the EU to influence debates at a global level. At the time of writing, the Commission's response to the Forum is imminent.

[europa.eu.int/comm/enterprise/csr/index\\_for\\_um.htm](http://europa.eu.int/comm/enterprise/csr/index_for_um.htm)





## TECHNICAL STANDARDS

With so many codes, based on a wide variety of self-selected standards, there are also attempts to establish international social standards which can be commonly measured and compared between companies and locations.

### Global Reporting Initiative

In many countries, companies are obliged by law to issue annual financial reports which meet certain legal standards. They usually accompany this with other information about their operations of their own choice. The GRI aims to persuade companies to report more consistently about their social and environmental impact, using commonly agreed standards which are objective and auditable (like financial reporting) and by which one company can be measured against another. The term sometimes used for this is 'sustainability reporting'. Global Unions are involved in the GRI.

[www.globalreporting.org](http://www.globalreporting.org)

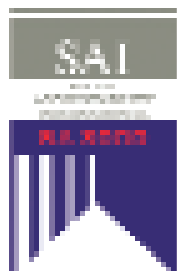
### SA8000

Social Accountability International, based in the US, was set up in the mid-1990s as a non-profit organisation to involve "all key sectors" in developing and implementing socially responsible workplace standards. Its advisory board includes the global union federations UNI and ITGLWF, workers' support groups like the Maquila Solidarity Network from Canada, and human rights groups like Amnesty International. For business, representatives include **Toys R Us**, the **Dole** and **Chiquita agribusiness companies**, and **Gap**.

The SA8000 standard that they developed became operational in 1998, and is based on ILO Conventions and the UN Universal Declaration of Human Rights. It has clauses on working hours, wages, health and safety, and necessary management systems, amongst others.

Today some 655 workplaces in 44 countries are SA8000 certified, involving over 430,000 workers in a wide range of industries. Italy, China, India and Brazil account for 70%. There are none in Ireland or the UK. A full list can be found at

[www.cepaa.org/Accreditation/CertifiedFacilitiesIntroduction.htm](http://www.cepaa.org/Accreditation/CertifiedFacilitiesIntroduction.htm)



SAI trains and accredits auditors in countries around the world, from small organisations to big accounting firms. These auditors assess and advise workplaces that want to become SA8000 certified, and visit at least once a year to verify that the standard is being applied, checking documentation and interviewing workers. There is a full re-audit after three years. Some buyers are now making it a condition for their contracted manufacturers to be SA8000 accredited.

One criticism, however, is that SA8000 places responsibility onto management in the subcontractor rather than where the real power is - in the major corporations which place the contracts.

[www.sa-intl.org](http://www.sa-intl.org)

### AA1000 Series

This is a framework of standards run by the Institute of Social and Ethical AccountAbility, based in the UK but with an international membership. It links to the Global Reporting Initiative and aims to encourage businesses to establish "a systematic stakeholder engagement process".

AccountAbility says that its AA1000S Assurance Standard is "a comprehensive roadmap for companies that opt to enhance the credibility of sustainability reports through third-party verification". Corporate members include **BAT, BT, BNFL, Nike, Gap, M&S, Lafarge, the Cooperative Group**, and the multinational accountancy consultants **KPMG, PricewaterhouseCoopers** and **Ernst & Young**. NGOs involved include Oxfam and Traidcraft.

[www.accountability.org.uk](http://www.accountability.org.uk)

### ISO 26000

Many workers are familiar with the ISO system of 15,000 international technical standards. They underpin occupational health, safety and environmental provisions in the workplace, and are overseen by national standards institutes in each country.

In early 2005, ISO started work on an international standard to give businesses 'guiding principles' on social responsibility. ISO has said it will not be a management system, nor for certification purposes. It expects to take three years to develop the standard, and this is being done with the help of the Global Reporting Initiative.

[www.iso.org](http://www.iso.org) and [www.globalreporting.org](http://www.globalreporting.org)

### ORDER OUT OF CHAOS? JO-IN

After a decade or so of multiple CSR initiatives, there are now attempts to synthesise them. The main multi-stakeholder initiatives (FLA, ETI, SAI, FWF) plus the Workers' Rights Consortium (US) and the Clean Clothes Campaign have come together in the 'Jo-In' (Joint Initiative on Corporate Accountability and Workers' Rights). During 2005-07, they are running a pilot in Turkish garment factories, to see how better to integrate their various codes and monitoring/verification systems.

### ARE WORKERS 'STAKEHOLDERS'?

"Labour unions can mobilize the workforce - for after all, companies are not composed only of their executives."

UN Secretary-General Kofi Annan,

Referring to the participants in the Global Compact, July 2000

There is a problem with the workforce being identified as one of the company's 'stakeholders'. It implies that a company 'is' the management, with the workforce having a separate and subsidiary role, alongside the local community and others.

However, workers are as much an integral part of a company as the executives - after all, it is they who produce the goods or services of the company. Without the workforce, the company ceases to exist.

Trade unions are therefore wary of the term 'stakeholders' if it is used to displace the idea of 'social partners' who negotiate to resolve their differences.

"The CSR concept can be contradictory. It stresses the importance of identifying and engaging stakeholders but, at the same time, stresses unilateral management action. The experience is that CSR is more about management systems and checklists than genuine dialogue... Although the 'empowerment' of workers is a recurring CSR theme, this term almost never refers to the genuine power that workers acquire through their trade unions."

International Confederation of Free Trade Unions (ICFTU)





## BUSINESS ASSOCIATIONS

Then there are business associations which promote CSR. Their role is largely to exchange information between senior management on how to make the 'business case' for CSR, and to lobby governments for voluntary initiatives rather than legislation.

### **World Business Council for Sustainable Development**

The WBCSD was set up to develop a pro-business approach ahead of the Rio Earth Summit in 1992. Today, with a staff of 50 at its Geneva headquarters, and regional offices around the world, the WBCSD is a lobbying body in the WTO, World Bank, OECD and IMF on behalf of 175 powerful companies. [www.wbcscd.ch](http://www.wbcscd.ch)

**"While claiming to champion sustainable development and environmental issues, (the WBCSD) is at the same time an active voice against the regulation of transnational corporations, for deregulation on trade and environmental issues, and the voluntary approach."**

Friends of the Earth

### **CSR Europe**

This was founded in 1995 by the then European Commission President Jacques Delors along with leading companies in Europe. It now has 65 corporate members including Microsoft, Coca Cola, McDonalds, Nestle, Unilever, and IBM. Their mission is "to help companies integrate CSR into the way they do business, every day".

[www.csreurope.org](http://www.csreurope.org)

The European Business Campaign on Corporate Social Responsibility is one of CSR Europe's activities, in collaboration with the International Business Leaders Forum.

[www.csrcampaign.org](http://www.csrcampaign.org)

## ALTER-EU

The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) was launched in July 2005. The aim is "an end to the current secrecy and privileged access to EU decision-makers enjoyed by business interests".

ALTER-EU's founding statement has been supported by over 150 civil society groups, academics, and trade unions including the Global Union Federation for public sector workers, the Public Services International (PSI).

EU Commissioner Siim Kallas is proposing an online register for EU lobbyists but still needs convincing of the need for mandatory, as opposed to voluntary, disclosure.

[www.alter-eu.org](http://www.alter-eu.org)

[www.corporate-europe.org](http://www.corporate-europe.org)

## BUSINESS IN THE COMMUNITY (UK AND IRELAND)

In the UK, BITC has over 700 corporate members. It also claims close links to the All-Party Parliamentary Group on CSR.

[www.bitc.org.uk](http://www.bitc.org.uk)

The Irish chapter BITCI was launched five years ago and now has about 30 corporate members. They include Coca Cola, IBM, the Bank of Ireland, AIB, Eagle Star, KPMG, Microsoft, Tesco, Diageo, Coillte Teoranta, O2 and Vodafone.

Darina Eades is Principal Consultant on CSR to BITCI. She told the fringe meeting on CSR at the ICTU Biennial Delegates Conference on 21 June 2005 that BITCI's aim is to "inspire and challenge corporations with CSR, and to get them to commit themselves to impact as positively as possible on all key stakeholders". She says it is very much about changing the way that executives organise their business.

BITCI member companies sign up to a 'Membership Charter', confirming that CSR is fundamental to their "long-term sustainability". However, it is voluntary. BITCI encourages member companies to measure their own impact using the OECD Guidelines, GRI, CSR Europe and BITC UK standards, but does not insist. Whatever their best practice is in Ireland, BITCI urges them to apply it overseas, especially in critical areas like China, and Darina Eades sees a role for unions to assist with this. However, a Communication Workers' Union (CWU) representative at the same meeting commented that BITCI member O2 is one of the most anti-union companies in Ireland.

BITCI makes 'the business case' for CSR. Its website refers to the "strategic return on investment", "internal savings", "tax-efficient corporate giving", "effective collaboration with the public sector", "better employee motivation and morale" and "improved corporate reputation" that CSR can bring. Even the membership fee to belong to BITCI is a tax-deductible trading expense!

On the ground, many activities of BITCI member companies revolve around improving employment practices: the AIB bank is promoting 'family-friendly' working hours, and IBM has added sexual orientation to its anti-discrimination policy. There are also community-based programmes, such as Diageo supporting digital education in the Liberties area of Dublin. Environmental projects include Vodafone finding solutions for the safe disposal of mobile phones, and Coillte Teoranta helping to restore the peatlands of the West. In all cases, companies are clear what the benefits are for themselves as well as their 'stakeholders'.

BITCI says that, by joining, companies "will get more impact and return on investment from the good work they are already doing" and they become "part of a movement that demonstrates the positive value business can bring to wider society".

[www.bitc.ie](http://www.bitc.ie)



## MORE CSR IN IRELAND

The Musgrave Group is a food and grocery supplier based in Ireland, active also in the UK. It has been collaborating with the Global Reporting Initiative, and consulted with the UN Global Compact office, amongst others. Musgrave claims to be "the only wholesale and retail food distributor in the country to operate an environmental charter, committing to measure environmental impact and to report results for company divisions and the independent franchise stores". Its 99-page 'Environmental and Social Accountability Report 2002-03' is on its website. [www.musgrave.ie](http://www.musgrave.ie)

The professional accountancy body ACCA Ireland has entered into the CSR business, and is awarding 'Sustainability Reporting Awards'. In 2004, Musgrave was the award winner, with commendations going to the forestry company Coillte Teoranta, and the Irish wings of the pharmaceutical giant Novartis, the transport temperature systems manufacturer ThermoKing, and the computer corporation Intel. [ireland.accaglobal.com](http://ireland.accaglobal.com) Yet, Intel has so far refused to recognise trade unions.

Graphic: Peter Pennartz



## THE CSR INDUSTRY

It is one thing to have principles and codes, and another to see that they are implemented. So, now there is a need for thousands of workplaces to be inspected and monitored for compliance. Then the inspection reports and any required changes need to be verified.

This means that a new market has opened up for what is termed 'social auditing'. There is, in the words of the ICFTU, "a nascent industry of consultancies offering assistance to companies". Specialist social auditing firms have been set up, such as **Bureau Veritas**.

[www.bureauveritas.com](http://www.bureauveritas.com)

Global management consultancies like **PricewaterhouseCoopers, KPMG** and **Ernst & Young** have got involved too, extending the range of services they offer to include 'corporate governance'. E&Y has, for example, recently opened an 'Ethics Hotline' for "reporting conduct that may be unethical, illegal, in violation of professional standards, or otherwise inconsistent with the Ernst & Young Global Code of Conduct". [www.ey.com](http://www.ey.com) There's a profit to be made here too and, not surprisingly, it is turning into a competitive marketplace.

**"These companies are also making profits out of codes of conduct by acting as monitoring firms, a sort of business which again turns workers' lives into business opportunities."**

Junya Yimprasert, Thai Labour Campaign AMRC, 2004

Hundreds of inspectors are now employed by such firms as well as individual companies that have codes, forming a new profession of 'social auditors'. Their job is to visit workplaces around

the world. They talk to factory managers, examine payroll and working hours records, and tour the factory looking for under-age workers or the location of fire extinguishers. They visit workers' dormitories to check for overcrowding, and they interview workers. As the ICFTU notes, they are in fact "private labour inspectors".

A major problem is that workers often do not know about the existence of a code (or codes) that should apply in their workplace, or their meaning. Even if they do, very few are really consulted about how well it is implemented, or encouraged to have a role in improving the situation.

One key question, of course, is how, where and in whose presence the monitors interview workers, how well trained they are to understand the workers' point of view, bearing in mind the likely gulf between them in gender, class, age, cultural background, and so on. If you were a young woman garment worker in an Indonesian factory fearful of your job, how easily would you express yourself to a relatively well-paid, college-educated person on a flying visit? To get over this difficulty, a few companies have in-country representatives or are even stationing auditors in important factories. They are also employing women auditors. And yet it is easy to imagine how little many auditors will grasp of the workers' point of view.

Yet workers and their trade unions are the best source for information on what is actually happening in a factory. More than this, a trade union is the best mechanism for dealing with problems that do occur, through negotiations and collective bargaining with management.

**"Industrial relations and collective bargaining are hardly ever mentioned, even where the subject is the company's relations with its employees... Many of the ways in which workers can be intimidated, discouraged or prevented from joining or forming trade unions are difficult to detect. Because of this, the only real test that workers' freedom of association is respected is where there is an independent or free trade union that is permitted to function. Similarly the only good test for respect of the right to bargain collectively is a collective agreement that is respected."**

International Confederation of Free Trade Unions (ICFTU)





# A CLOSER LOOK AT 'CSR'

A fundamental issue is that monitoring systems tend to treat workers only as subjects from whom information is gathered. Workers' power to determine their own rights and needs is not addressed.

There are reports too of social auditors becoming less rigorous, and even turning complicit in deceptions, in order to save time. The ICFTU has evidence of auditors reporting 'compliance' with respect for freedom of association in places where there is no trade union or even where the government does not permit free trade unions!

**"As the social compliance auditing industry has grown in response to increased demand, it has left many auditors with less time to spend at each factory."**

Financial Times, 21 April 2005.

As for the local factory managements, some have found it necessary to create a special team merely to show social auditors around and produce the necessary documentation. Perhaps unsurprisingly, a cat-and-mouse game has developed between some and the companies they are supplying.

**"Workers complain that they need to do additional 'clean-up' before the monitors arrive, or to behave, and to give proper answers to them."**

Apo Leung, Asia Monitor Resource Centre, Hong Kong

**"Factory managers in China are becoming increasingly sophisticated at falsifying worker time cards and payroll documents to disguise irregularities including underpayment, excessive hours and inadequate health and safety provision. Auditors estimate that more than half**

**of factories they see in China are forging some of their documents." A factory manager interviewed in Guandong "said he had assigned a team of six employees to create a paper trail of fake documents for foreign buyers."**

Alexandra Harney, 'Laying a False Trail'  
Financial Times, 21 April 2005

**"One Hong Kong-owned toy factory even assigned workers to rubbing falsified time cards in dirt to make them look genuine."**

Hong Kong Christian Industrial Committee

**"A number of workers told us, in sadly amusing words, that they liked to use the toilet prior to the visit of 'customers', because it was clean and had colourful toilet paper, and liquid soap at these times. They said they had to use the facility quickly, since it was removed as soon as the 'customers' walked out of the factory."**

Junya Yimprasert, Thai Labour Campaign  
AMRC, 2004

**"He said the customer will ask us, 'Do you work OT (overtime)?' We have to say 'No!'. The customer will ask, 'Do pregnant workers work OT?'. We have to say 'No'. But in reality pregnant workers work OT and on Sunday as well."**

Former worker at Bed & Bath factory, Thailand  
AMRC, 2004.

**"Please educate the workers well to avoid telling the client the truth."**

Sign posted in a footwear factory,  
Guangzhou, China.  
Financial Times, 21 April 2005

Photo: Natalie Behring/Panos



## CSR: WHAT'S GENUINE AND WHAT'S NOT

### A handy guide

"WE RESPECT THE LAWS IN EVERY COUNTRY WHERE WE OPERATE."

**Good, but not good enough.**

Some countries have very poor legislation, particularly those which have not ratified key ILO Conventions or have yet to take their environmental responsibilities seriously. So any company investing in or sourcing from China, for example, which then merely meets the standard of Chinese law on trade union freedoms is not taking CSR seriously.

"OUR COMPANY HAS A CODE OF CONDUCT"

**OK, but what does it actually say?**

It should, at minimum, refer to the United Nations Universal Declaration of Human Rights and the ILO Declaration on Fundamental Rights and Principles at Work, especially that all workers have the right to freedom of association and collective bargaining. No company can be excused from respecting these fundamental workers' rights. These are rights that enable workers to sort out their working terms and conditions collectively.

A good code will also contain reference to respect for the legal minimum wage, or better a 'living wage', as well as legal working hours and certainly no forced overtime. Paid maternity leave and parental rights are vital to social sustainability but are very often missing, as are environmental standards in the workplace and beyond.

Any code is pretty much worthless if it does not state how it is to be implemented.

The Global Unions have produced a Basic Code of Labour Practice to act as a model.

[www.icftu.org/displaydocument.asp?Index=990917146&Language=EN](http://www.icftu.org/displaydocument.asp?Index=990917146&Language=EN)

"WE ENSURE OUR CODE IS PROPERLY MONITORED."

**Only by the company itself?**

Very few company codes have provision for monitoring by an external body. Most companies monitor their own code, which means that it is largely unreliable and for PR purposes.

**Or by 'social auditors'?**

A third-party audit is potentially better, but it is a 'top-down' approach that does not guarantee reliable results. Plenty of factory managements are clever at pulling the wool over the eyes of visiting auditors, doctoring records, or controlling what workers will tell them. Workers, including women, need to have confidence in auditors who know the issues, are ready and able to meet them off-site if necessary, and can guarantee that workers are not going to be victimised for speaking up.

**Can workers make a complaint if their employer is infringing a code?**

Only a few codes so far have a complaints process. At present, complaints often surface only when workers, through their local union or support NGO, make contact with an international union federation or campaign, who then take it up with the main company. Workers must be able to voice their complaints.

**If there is a problem, who fixes it?**

Auditing systems are getting better at identifying problems – but the key issue is to resolve them! Does the code say who is responsible for fixing any problem found, and how it should be fixed?

**Involving the workers' trade union?**

Obviously, the best way to solve workplace problems is for workers to be able to exercise their rights to free and independent trade unions and to negotiate and bargain collectively with their employer to resolve differences.





# A CLOSER LOOK AT 'CSR'

**"WE RESPECT THE WORKERS' RIGHT TO JOIN A UNION"**

**Does the company actually sit down and negotiate?**

Stating support for freedom of association and actually negotiating with trade unions are two different things. Unsurprisingly to trade unionists, many companies seem to be using codes and private 'social auditors' to avoid collective bargaining. But only a system of good industrial relations can resolve any problems found.

**Does management choose the union it wants to deal with?**

Workers have the right that the union of their choice is the one with whom management negotiates.

**Does the company provide facilities for trade union organisation?**

The best companies give paid time off for union representatives, access to computers, and so on. To enable international organisation between union representatives, global corporations ought to provide language support too.

**"Multinational enterprises, as well as national enterprises, should provide workers' representatives with such facilities as may be necessary to assist in the development of effective collective agreements".**

ILO 'Tripartite Declaration of Principles Concerning MNEs and Social Policy', paragraph 51.

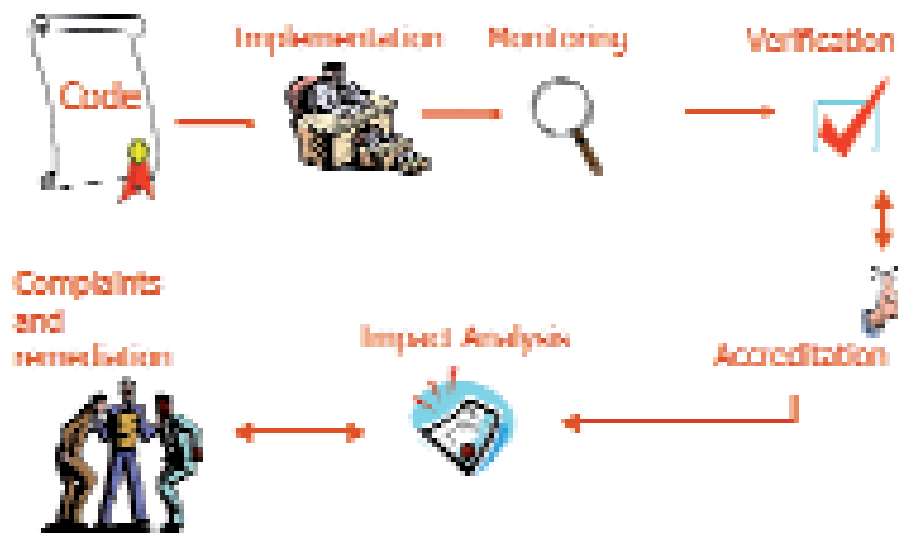
**"The prime concern of CSR must be the quality of industrial relations within a company. It would, indeed, be a contradiction in terms for a firm that fails to apply a collective agreement or respect an employment contract to be regarded as 'socially responsible'."**

European Trades Union Confederation (ETUC)

The giant US-based plantation company Dole is an advisory board member of Social Accountability International, and insists that it now supports freedom of association. However, according to the US-based International Labor Rights Fund, eleven workers were fired at Splendor Flowers, a Dole flower plantation in Colombia, in May 2005 when they tried to found an independent union. Dole has reportedly signed a collective agreement with another union widely accepted as employer-dominated. [www.laborrights.org](http://www.laborrights.org)

ITGLWF

## Key features of a Code of Conduct



**"WE TAKE OUR CORPORATE SOCIAL RESPONSIBILITIES SERIOUSLY."**

**How often does the Board of Directors actually discuss the CSR policy?**

**Does the company's CSR Department have adequate resources, and how well is it integrated into the whole company?**

A CSR policy has to be implemented throughout the company, not run by a few people isolated in a separate department. Researchers have found CSR personnel being nicknamed the "Sales Prevention Team"!

#### **Even the buyers?**

**"We are under enormous stress. Customers place late orders, they change their orders part way through manufacturing and they pay their bills late. At the same time they ask us to provide better training for our staff, better health and safety and better accommodation. We just cannot do it all."**

Garment factory manager, Dongguan, China  
Financial Times, 21 April 2005.

If buyers are only looking at quality and price of the goods, playing one supplier off another always to get the better deal, then any CSR

policy fails. Their demands for maximum flexibility means supplier factories hire workers on temporary contracts, make them do compulsory overtime, and so on. In the fashion industry it is particularly acute. CSR has to be part of the training and job description of the buyers too.

A few companies are changing their buying practices, to be more long-term and staged. Some are said to find this culture shift actually in their own interests, leading to better staff contentment and higher quality of output. But it is not yet the norm. The competitive marketplace is still the main driver.

#### **Up and down the supply chain?**

With the best Code of Conduct in the world, it is not easy to monitor how well it is implemented all through the supply chain. Tesco has something like a million suppliers, and all their goods travel along complicated supply chains. Moreover, many suppliers sub-contract part of their production contract to other companies, and they in turn perhaps to sweatshops and even homeworkers. All of this is often unbeknown to the major companies. In reality, they rarely know the whole of their supply chain.

Yet a worthwhile code should say at least that the principal company will do its best to ensure that its own highest standards also operate in its sub-contractors and suppliers. If a company is really serious, it can write it into its contracts.

**"Trade unionists should resist the argument that, even where initiatives and activities do little good, they are better than nothing. It is now clear that many CSR activities are having a substitute effect for the role of government and are also substituting for genuine dialogue."**

International Confederation of Free Trade Unions (ICFTU)



## SO MUCH FOR CODES

When the Spectrum sweaters factory in Bangladesh collapsed during the night shift on 11 April 2005, it caused about 64 deaths and horrendous injuries among scores of mostly women garment workers. Hundreds were left unemployed.

The factory had been built on a swamp, with inadequate foundations, and to a height of nine floors when there was only permission for four. Heavy machinery had been placed as high as the seventh floor.

It was normal for the women working there to do a seven day week, for 12-18 hours a day. The legal minimum wage was equivalent to 13 Euros and yet they were paid only eleven. Pregnant women were among the victims.

Neil Kearney, General Secretary of the garment workers' international union federation ITGLWF, took part in a fact-finding mission after the collapse. He told a fringe meeting on CSR at the ICTU Biennial Delegates Conference in June 2005:

"The Spectrum factory was not untypical of the 6,000 garment factories in Bangladesh, and all its production was going to well-known brand companies that have codes of conduct for their suppliers. There was frequent auditing which said that nothing was wrong. In fact, auditors for the French supermarket chain Carrefour had said it was a 'good factory'.

So much for codes and social auditing. On their own, they are little more than useless. They are certainly no substitute for good labour law, properly enforced, or collective bargaining and good industrial relations. A reliance on outside social auditors is certainly not enough, especially as many are poorly trained, inexperienced and incapable of talking to workers.

A few companies are starting to realise this. Gap and Nike are now claiming that a 'mature system of industrial relations' is what is needed, where management and workers are the constant and consistent monitors of codes. Sara Lee is dispensing with auditors in its Bangladesh suppliers and only working through unions.

Unions must respond. We must meet this challenge globally, especially by reaching Global Framework Agreements between global unions and the management of global corporations.

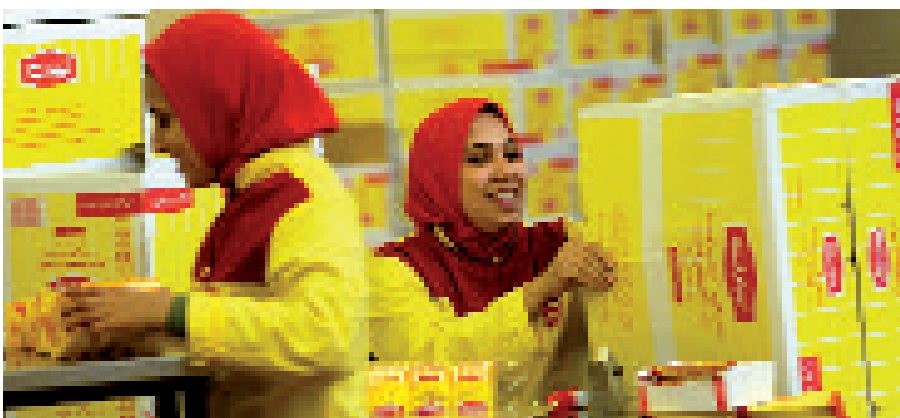
My message to workers is 'organise first; then you can use the codes'."

[www.itglwf.org](http://www.itglwf.org)

For more information on the brand-name companies that sourced at Spectrum and their responses to the disaster, see also the Clean Clothes Campaign:

[www.cleanclothes.org](http://www.cleanclothes.org)

Photo: Panos/Mark Henley



# TRADE UNIONS AND 'CSR'

So, is CSR a diversion or are there merits in it?

**“CSR has provided tools to obtain leverage over companies. The new environment has resulted in codes of conduct, in greater support for trade union driven shareholder actions and in improved follow-up procedures to the OECD Guidelines for Multinational Enterprises. While these opportunities should not be overlooked, the challenges for trade unions must not be ignored.”**

International Confederation of Free Trade Unions (ICFTU)

Some see CSR as a potentially dangerous mix of power and unaccountability in the hands of private enterprises. Some believe it is a waste of good trade unionists' time, that we must stick to what we know works: legislation and collective bargaining agreements that can be enforced, through the courts or by industrial action.

Others think it is not an 'either/or' situation, but that we can and should use CSR as a tool towards our greater goals. Whether frustrating or useful, however, CSR is not something that trade unionists can turn their back on.

One elemental danger of CSR is that it tends to side-step the established structures of employer-employee negotiation.

**“A striking point is that in discussions on issues such as codes of conduct, sustainability reports and participation in certification initiatives, little or no use is made of the regular trade union and employee negotiating tables, such as collective bargaining, social dialogue and employee consultations. The trade unions and the employee participation bodies should, more than is now the case, lay claim to their role in the CSR debate and bring the CSR viewpoint into the dialogue with companies at both national and international level.”**

FNV Mondiaal, Dutch union federation, 2004

CSR also side-steps the State. Governments in the UK and US have facilitated the growth of CSR but some see this as potentially 'outsourcing' of functions that should be handled by government. Generally there is a striking lack of active engagement by the majority of governments, ministries and official labour inspectorates, even where there is an obligation to do so, as with the National Contact Points for the OECD Guidelines.

This only plays into the hands of those who are actively trying to use CSR to displace regulation. So, there is a great need for trade unionists to keep up the pressure on governments, nationally and in international bodies such as the ILO, to stiffen their resolve and not retreat.

**“Corporate governance is a public good and should remain firmly in the hands of governments' agenda. Self-regulation and 'comply or explain' mechanisms are no substitutes for real public enforcement systems.”**

Trade Union Advisory Committee (TUAC)  
Statement to the OECD Council Meeting at Ministerial Level, May 2005

Yet the growth in CSR does provide trade unionists with an opportunity. It can be used to promote greater recognition and appreciation of ILO standards, especially the fundamental rights of workers, as well as the obligation on corporations to respect other international treaties and conventions on human rights, the environment, anti-corruption, etc.



## INTERNATIONAL FRAMEWORK AGREEMENTS

While CSR provides trade unions with opportunities, there is concern not to let it detract from the main emphasis of union work, which is to negotiate and reach agreements with management that provide workers with protection.

**A key difference between codes and agreements is that the latter are signed by both parties, and are legal documents which can be enforced through the courts.**

But global corporations are notorious for being ready to negotiate with unions in one location while being anti-union elsewhere if they can get away with it. To meet this challenge, the international trade union movement has begun to extend the idea of national or local agreements to agreements at the global level.

Global Union Federations (GUFs) are international bodies to which national unions around the world are affiliated according to industry or sector. A number of GUFs have reached 'International Framework Agreements' (IFAs), also called 'Global Framework Agreements', with the senior management of particular global corporations.

The international union for building and wood workers IFBWW has an agreement with the Swedish furniture company **IKEA**, for example. The International Metalworkers' Federation has agreements with car makers **Volkswagen**, **DaimlerChrysler** and **Renault**, and another with the home appliances producer **Bosch**. There are agreements between the international union for food and related workers' IUF and food companies **Danone** and **Chiquita**, as well as the hotel chain **Accor**. Mining company **Anglogold** and oil company **Statoil** have agreements with the international chemical, energy and mineworkers' ICEM. There are about 40 such agreements today, and the number is growing. A full list can be found at:

**[www.imfmetal.org/main/index.cfm?n=47&1=2&c=10266](http://www.imfmetal.org/main/index.cfm?n=47&1=2&c=10266)**

A central feature of all these international agreements is a commitment by the company to respect the core ILO standards in all its operations worldwide. This means that workers' rights to freedom of association and collective bargaining – their union rights – are to be upheld, as well as no forced labour, child labour, or workplace discrimination. Many IFAs also include clauses on other working terms and conditions, training, and so on, sometimes added on through subsequent negotiations. IFAs provide for regular meetings between the company and the GUF plus, usually, the national union in the corporation's home country, say once a year.

The Global Union Federations are very clear that these IFAs complement and do not substitute for agreements at the national or local level. What the IFAs do mean is that local or national unions have an assurance from global management that local management should sit down and negotiate over actual wage levels, working hours, benefits, etc. They are, as the name says, a 'framework' for union activity within each country. In fact, IFAs need unions to be active, liaising with each other and the GUF, to monitor and ensure their implementation.

Some IFAs also include a commitment from the company management that they will do their best to ensure that fundamental workers' rights are also respected in their whole supply chain, i.e. by their suppliers and contractors. Fred Higgs, General Secretary of the ICEM, is encouraging his member unions to take this further. As he says, principal companies can write anything they like into their contracts with suppliers. Rather than just stick with price, quality and timing of goods or services, they could include respect for workers' rights. He is urging more unions to include this in their own collective bargaining agreements with principal companies. See ICEM, 'Contract/Agency Labour: A Threat to Our Social Standards', **[www.icem.org](http://www.icem.org)**

**"In the end, workers are protected, not by enlightened business practices, but by the application of law and by what they can do for themselves through trade unions and collective bargaining."**

Guy Ryder, General Secretary,  
International Confederation of Free Trade Unions (ICFTU)  
Letter to the Financial Times, 25 April 2005



Irish unions joined in the 2004 Play Fair at the Olympics Campaign. As a result, the Olympic Council of Ireland agreed to look again at labour standards for OCI licensed goods.

## UNIONS, NGOS AND CAMPAIGNS

One of the striking results of CSR campaigning has been the increased levels of collaboration between trade unions and others battling for social, economic and environmental justice. In Ireland, the ICTU and affiliated unions have worked in particular with the aid agencies Trocaire and Oxfam, and their members across the country, as part of international campaigns for the rights of toy workers and more recently sportswear workers.

There is a need to build on this collaboration. When campaigns are taken up with sincerity and enthusiasm but little consultation, it can lead to a lot of frustration, as the case of the 'Killer Coke' campaign shows.

Hopefully, CSR campaigning will become more coordinated with the formation of the new **Irish Corporate Accountability Network (ICAN)**. ICAN involves Oxfam, Trocaire, Christian Aid, Amnesty, Fairtrade Mark, and Comhlamh, along with the ICTU.

**"Enormous resources are going into CSR but often at the 'pit face' there is not much to show for it. In some cases, the situation for workers is worsening. Codes provide no long-term solution. What is needed is a mature system of constructive industrial relations. This is how we brought significant changes in the industrialised countries, and what is needed now throughout the global economy."**

Neil Kearney, General Secretary, ITGLWF



## THE TOY CAMPAIGN

Irish trade unionists and consumers have been involved in an international campaign for the safe production of toys, sparked off by terrible fires at two Asian toy factories. What difference has the campaign made to toy workers around the world?

In May 1993, 188 mostly young women workers died when fire swept through the Kader toy factory in Thailand and locked doors meant they were unable to escape. Later the same year, a fire at the Zhili toy factory in Shenzhen, China, killed at least 87 workers and injured many more.

Within weeks of the fires, workers' rights groups Asia Monitor Resource Centre (AMRC) and Hong Kong Christian Industrial Council set up the Toy Coalition. Their targets were the main companies for whom these factories were producing toys, including Chicco from Italy and the big US companies Mattel, Disney, and McDonald's. The Coalition demanded proper compensation for the victims and families. They produced a 'Charter on the Safe Production of Toys' and lobbied hard at Hong Kong Toy Fairs.

By 1995, the international trade union federation ICTU joined the campaign, and an international conference for toy workers' health and safety was held in Hong Kong the following year. By 1997, the campaign had spread to ten countries including Ireland and the UK, involving unions, NGOs, consumers and ethical shareholders. In Ireland, the ICTU and the Catholic aid agency Trocaire ran a joint campaign which won the support of many consumers, including union members. Teachers introduced the topic into schools, and thousands of postcards were sent to the target companies.

Tangible results were that the victims of the Kader fire did finally receive a settlement, and the Thai government brought in a law requiring the formation of a safety committee in factories with more than fifty workers. The Chinese victims did less well, with just US\$1,290 going to each of the 120 victims by Artsana, the Italian company behind Chicco, only after long delays and misappropriation. Campaigners do, however, believe that the Zhili fire shocked the Chinese authorities into completing the first labour law, under draft revision since the 1950s. Plus, there is now much more worker involvement in health and safety training there.

Various codes also resulted. One by the International Council of Toy Industries is now obligatory for the Toy Industries of America as well as the British Toys and Hobbies Association. The US-based toy retailer Toys R Us has 15 facilities certified by SA8000.

According to Apo Leong at AMRC, however, low prices and short delivery times demanded by the brand-names and retailers continue to make it impossible for toy manufacturers in China to comply with Chinese labour law or even the brands' own codes. It is clear that the codes have yet to penetrate into the toy companies' buying practices. Consumer pressure is still needed.  
[www.amrc.org.hk](http://www.amrc.org.hk)





## 'PLAY FAIR AT THE OLYMPICS'

In the run-up to the 2004 Olympics in Athens, a wide coalition of workers' rights groups, consumer groups and trade unions around the world embarked on a campaign called 'Play Fair at the Olympics'. The aim was to get the International Olympics Committee and the national Olympics committee in each country to extend the Olympic values of ethics and fair play to the women and men who make the sportswear of the athletes.

Events took place in no fewer than 35 countries. There was 'Workers' Olympics' in Bangkok, and a 'Sew-In' in Athens where an international petition of 550,000 signatures that the IOC had refused to accept was presented instead to the public. A lot of international media coverage was gained.

In Ireland, the Services, Industrial, Professional and Technical Union (SIPTU) and the ICTU joined forces with Oxfam to put pressure on the Olympic Council of Ireland (OCI). Oxfam volunteers made patches and added them to the 'Olympics Quilt' that ended its journey in Athens. 'Fair Play' runners ran in the Women's Mini-Marathon in Dublin, and an alternative sportswear fashion show was held on International Women's Day in Belfast.

OCI President Patrick Hickey publicly accepted hundreds of postcards signed by campaigners, and showed willingness to discuss labour standards for OCI licensed goods. He promised the OCI would raise the issue with the IOC.

The official supplier of the Irish Olympics uniform in 2004 was the Japanese company Asics, which also sponsored the Dutch Olympics team. As a result of the pressure, Asics is now in contact with Hong Kong labour rights groups regarding health and safety in Chinese factories.

According to the Clean Clothes Campaign, "a big disappointment was the reaction of the International Olympic Committee, which moved very little, if at all". However, the Turin 2006 Winter Olympic Committee has adopted a 'Charter of Intent' which may help to define ethical standards for global sporting events. Now the Play Fair coalition has its sights set on Beijing 2008. Meanwhile, the organisers of the 2012 Olympics in London have met with the TUC, Oxfam and Labour Behind the Label, and are now committed to including workers' rights issues in their contracts with suppliers.

[www.fairolympics.org](http://www.fairolympics.org)  
[www.cleanclothes.org](http://www.cleanclothes.org)







## THE 'KILLER COKE' CAMPAIGN

'Corporate Social Responsibility' was not uppermost in the minds of workers at the Anchor Coca-Cola bottling plant in Dublin, Ireland, when they first encountered a student-led call for a boycott of 'Killer Coke' in 2003. Like most workers, they had been mainly concerned with day-to-day issues and negotiations with management. The plant has long been organised by the union SIPTU. Anne Speed, Secretary of SIPTU's Drink, Tobacco and Wholesale Distribution Branch, describes how the union responded.

"The boycott call naturally worried the Coca-Cola workers in Ireland deeply. The allegation that Coca-Cola was complicit in paramilitary murder of trade unionists at its bottling plants in Colombia was shocking and needed addressing. They did not want to be associated with such a company. The difficulty was that the boycott had been launched before any discussion with them, despite the likely impact it would have on them too. Unhappily meetings between the campaign organisers and the unions then failed to agree a joint strategy.

As the boycott spread to the UK and elsewhere in Europe and North America, SIPTU worked with the ICTU at national level, and the Global Union Federation for food workers (IUF), to which we are affiliated, to add our pressure onto the company. We joined a British TUC union delegation to Colombia in 2004, met with the Irish Government, and raised the matter with Coca-Cola management at every opportunity, including an IUF delegation to the company's headquarters in Atlanta, US. In fact, the company met with us whenever and wherever we asked them to.

Most significantly, the New York City Employee Pension Fund sent a fact-finding delegation to Colombia and this confirmed the campaign's allegations: nine murders; abduction and torture of the family members of union activists; dismissal of union members for attending meetings, and many more violations of human rights. The delegation's report said,

'The physical access that paramilitaries have had to Coca-Cola bottling plants is impossible without company knowledge and/or tacit approval...'

We have to insist that multinational corporations such as Coca-Cola are responsible for human rights in all their operations around the world. An attempt by 'ethical shareholders' in 2002 to get Coca-Cola to adopt a code of conduct was rejected by the company. But now, just three years later, Coca-Cola has signed a Joint Statement that recognises the IUF as 'an internationally representative body of unionized workers around the world' and agreeing to meet with the IUF twice a year. The statement continues:

'Coca-Cola acknowledges that Coca-Cola workers are allowed to exercise rights to union membership and collective bargaining without pressure or interference. Such rights are exercised without fear of retaliation, repression or any other form of discrimination.'

Our job, as trade unionists, now will be to make sure that this agreement is properly implemented, particularly in Colombia. The boycott is still underway, supported by many trade unionists, but I think it made all the difference to Coca-Cola that their own employees reacted so strongly to the situation in Colombia. This shows how important it is for us to be involved in 'Ethical Investment' and 'Corporate Social Responsibility' for workers' rights."

## SHELL IN THE IRISH ENVIRONMENT

Ireland has become the latest country to face a community-based dispute with the oil and gas multinational Shell. At issue are Shell's plans to construct a high-pressure gas pipeline from its Corrib gas field off the Irish west coast to a new refinery in Co. Mayo.

On 29 June 2005, five men were sent to prison after the Dublin High Court found them in breach of court orders preventing them obstructing the building of the pipeline across their land in Rossport. Campaigners are worried about the risks of carrying this prototype pipeline across unstable bog land and the potential for toxic emissions from the refinery into Broadhaven Bay which is a Special Area of Conservation under EU regulations. They claim that Shell's Environmental Impact Statement omitted to state how significant the site is to wildlife.

Shell has signed up to the UN Global Compact. Yet at its AGM in June 2005, Shell had to fend off criticism on human rights and environmental issues from Friends of the Earth along with community leaders from Nigeria, South Africa and the Philippines. Meanwhile, blockades by indigenous people on the island of Sakhalin, north of Japan, have caused Shell to suspend work on a £6 billion gas and oil pipeline. A Russian government report accused the oil giant of destroying the land around riverbanks on the island. Earlier in 2005, Shell was winner of a 'Public Eye on Davos' award (see below), nominated by Friends of the Earth for continued gas flaring in Nigeria.

[www.shellfacts.com](http://www.shellfacts.com)  
[www.foe.co.uk](http://www.foe.co.uk)



## 'PUBLIC EYE' ON SHELL AND OTHERS

Each year, the 'Public Eye on Davos' award ceremony is timed to coincide with the World Economic Forum meeting in that Swiss city. It is organised by the Swiss-based Berne Declaration and Pro-Natura to put the spotlight on "irresponsible companies".

In January 2005, awards went to Shell for its poor environmental record, Nestle for its aggressive marketing of baby food, Dow Chemicals for continuing to avoid responsibility for the Bhopal disaster in India, the KPMG accountancy multinational for encouraging its client corporations to engage in aggressive tax avoidance, and Wal-Mart Stores for failing to take responsibility for bad labour conditions in its supplier factories worldwide.

At the 'Public Eye' conference in 2004, the keynote speech was given by former Irish President and former UN High Commissioner for Human Rights Mary Robinson. Now Director of the 'Ethical Globalisation Initiative', she declared that "economic globalisation is not working" and called for increased accountability of businesses, governments and international institutions in respecting human rights. She insisted that rules that are properly implemented would actually benefit business as this would create a level playing field. However, there is, she said, a 'psychological block' towards international regulation that has to be overcome. The answer, according to Mary Robinson, is: "It's accountability, accountability, accountability, stupid".

[www.evb.ch](http://www.evb.ch)  
[www.eginitiative.org](http://www.eginitiative.org)



Photo: Philip Wulmothy/Panos



## OTHER ACTION YOU CAN TAKE

### What you choose to buy

Brand-name companies involved in CSR are claiming that the problem now lies in the demands of consumers for products that are cheap, no matter how they are produced. This would look less like hand-wringing if we saw the companies putting large sums of money into advertising 'ethically-produced' products.

Nevertheless, there is a responsibility on all of us not just to go for the short-term 'feel-good' factor, buying the cheapest or most fashionable. We need to consider more carefully what we buy, where it has come from, who helped to produce it and how they were treated in the process. Perhaps we need to convert our sense of 'retail therapy' – from feeling better if we treat ourselves, to feeling better if others are treated well.

There has been a significant growth in 'fair trade' alternatives in goods such as chocolate, bananas, tea, coffee, and even clothing and jewellery from Third World cooperatives, even though they may cost more to buy. More people are avoiding furniture made from tropical hardwoods, reducing their use of plastics, driving less, and so on.

This shows that many consumers do care. In fact, research for Business in the Community shows that 53 per cent of people in Ireland claim they would pay more for products and services that are socially and environmentally responsible. The challenge is to broaden the range of products that meet these criteria.

[www.fairtrade.ie](http://www.fairtrade.ie)  
[www.fairtrade.org.uk](http://www.fairtrade.org.uk)  
[www.traidcraft.co.uk](http://www.traidcraft.co.uk)

## 'FAIR LABOUR' LABELS?

We now have labels on goods to say they are 'fairly traded' and/or 'organic'. So can we have labels to show which have been produced under fair labour conditions? This is very difficult. A 'social label' system would only be credible if there could be constant monitoring of all the workplaces involved in producing and transporting the product in question. That is dependent on strong trade union organisation in each location, and we are still far from that goal.

### Where you put your money

Most of us in Ireland and the UK have bank accounts. Many of us are also pension fund holders, and some are shareholders too. Choosing to put our money in socially responsible investments is another way we can influence the marketplace towards CSR.

The Ethical Investment Research Service (EIRIS) provides information on individual companies and analyses corporate behaviour on behalf of the FTSE4Good index of shares. [www.eiris.org](http://www.eiris.org)

Another form of pressure is to buy shares in a company that you wish to influence. By being a shareholder, you have the right to attend the Annual General Meeting and have a say on corporate policy. This is an action that those of us who live in the home country of a corporation can take. Religious groups and other concerned citizens in the US, UK and elsewhere have been doing so for many years. See, for example, [www.iccr.org](http://www.iccr.org) and [www.eccr.org.uk](http://www.eccr.org.uk)

## OWNERSHIP MATTERS

In the UK, the Co-operative Group is a major player in the fields of retail stores, banking, insurance, funeral services, travel services, pharmacies, and farming. It employs 69,000 people and has more than 3,000 high street outlets.

The Co-op is also a leader in 'corporate social responsibility'. It claims to sell more fairly traded products, in more stores, than any other UK retailer. Its bank was the first to launch an ethical policy based on what its customers wanted, and its financial services wing CFS has since won many CSR awards.

But perhaps there should be little surprise in this. The co-operative movement in the UK was founded in Rochdale, Lancashire in 1844, when 28 workers were sick of seeing their families, neighbours and friends exploited both at work and at the hands of private shopkeepers. The 'Rochdale Pioneers', as they became known, set up a shop that would be run in the interests of its customers. They gave them a say in how the business should operate, and a share in the profits that their loyalty had helped to make.

Though by no means perfect, today's Co-operative stores, banks and other operations are still democratically controlled by their members, regularly ask customers for their opinion on policy, and return profits to customers and local communities rather than wealthy shareholders.

The CFS' first corporate responsibility report can be found at:  
[www.cfs.co.uk/images/pdf/cfssustainabilityreport2004.pdf](http://www.cfs.co.uk/images/pdf/cfssustainabilityreport2004.pdf)  
[www.co-op.co.uk](http://www.co-op.co.uk)



## HOW YOU WANT YOUR GOVERNMENT TO ACT



Congress representatives and guests at our fringe meeting on 'Corporate Social Responsibility' held in Belfast on 21st June 2005. Furthest left is Conor Lenihan, Irish Minister of State responsible for human rights and development cooperation. Others include Lord Bill Brett, Director of the London office of the International Labour Organisation, Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers' Federation, and Darina Eades of Business in the Community Ireland.

The **UK Government** is one of the strongest in the world backing CSR, which it views as "the business contribution towards our sustainable development goals". As well as supporting the Ethical Trading Initiative (see Section 2), in 2000 a Minister for CSR was appointed and there is now a government website on CSR at [www.csr.gov.uk](http://www.csr.gov.uk), plus a CSR Academy for businesses, [www.csracademy.org.uk](http://www.csracademy.org.uk), all under the umbrella of the Department for Trade and Industry (DTI).

The difficulty, for those who want to see corporate accountability rather than responsibility, is that the UK Government is very much a supporter of voluntary rather than regulatory CSR. There seems to be no tie-up between these CSR initiatives and public enforcement agencies such as the Health and Safety inspectorate.

Corporate law is being revised, but opportunities to tighten up the legal duties and liabilities of businesses for their social and environment impact have not been taken up. This is an important area where pressure can be and is being brought.

Meanwhile, the **Irish Government** also sees CSR as "a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment". CSR should be in addition to and not a substitute for existing regulation. However, it should be voluntary and not involve the government in developing new regulations.

**"It is not Irish government policy to make CSR mandatory but I do believe we could be giving the lead in greater regulation at global level. World Bank and IMF 'reform packages' entailing needless and heedless privatisation had the opposite effect. But both institutions are changing and, in a more globalised world, the public will demand higher standards."**

Conor Lenihan, Minister of State responsible for human rights and development cooperation, Department of Foreign Affairs, Government of the Republic of Ireland  
ICTU meeting on CSR, 21 June 2005

## CAMPAIGNING TO CHANGE UK COMPANY LAW

In the UK, companies are required by law to make a profit above all else. The Corporate Responsibility Coalition (CORE) was formed to bring pressure on the UK Government to change the regulations governing corporate behaviour. The coalition consists of a very long list of major British aid agencies, NGOs, church bodies, environmentalists, academics, MEPs, the Green Party, plus thirteen British trade unions. CORE says:

“We believe the voluntary approach to Corporate Responsibility has failed. Many companies and the Government claim that corporations will meet their environmental and social obligations voluntarily; they say that pressures from the market place will ensure businesses behave better. Prime Minister Tony Blair even challenged the top 350 companies to publish environmental annual reports by the end of 2001. Alas only 23 per cent of companies had risen to the challenge by the deadline. We don't think this is good enough. If rules, consistency and transparency are good enough for the financial side of a business, then they're good enough for the Corporate Responsibility side too.”

CORE wants to achieve three things: mandatory CSR reporting; a change in the legal requirement on directors from their current 'fiduciary duty' to maximise profit to a 'duty of care' towards communities and the environment; and for foreign communities to be able to claim compensation from UK-based corporations in UK courts.

After a White Paper 'Modernising Company Law' failed to include rules requiring companies to be more accountable to the communities and environments in which they operate, a Private Member's Bill was tabled in May 2003. Called the 'Corporate Responsibility (CORE) Bill', it gained the support of 175 MPs. However, the Government was not much moved. The new reporting guidelines only require companies to report on 'risks and uncertainties' that could affect their success, not their actual social and environmental performance.

Now CORE is focussing on a White Paper called 'Company Law Reform' published in March 2005. As currently drafted, the new Bill would only require directors to consider social and environmental factors when they decide they are "relevant and so far as reasonably practical". CORE is lobbying for much stronger directors' liability for their impact on people and the planet.

[www.corporate-responsibility.org](http://www.corporate-responsibility.org)  
[www.dti.gov.uk](http://www.dti.gov.uk)





## BUT THERE IS MUCH MORE THAT GOVERNMENTS COULD BE DOING - AT ALL LEVELS

### Public Procurement

Communities in European and North American countries are increasingly voting to take workers' rights into account in the purchasing practices of their local authorities. In the UK, there is a new focus on National Health Service uniforms coordinated by the Ethical Trading Initiative (see Section 1). A wide range of public bodies can be influenced in this way. In the US, United Students Against Sweatshops (USAS) have had a huge impact on the sponsorship deals of their university and college sports teams.

[www.studentsagainstsweatshops.org](http://www.studentsagainstsweatshops.org)

The Workers Rights Consortium (US) that USAS helped found, along with university administrations and workers' rights groups, now has over 100 campuses affiliated to it, and a model code of conduct. [www.workersrights.org](http://www.workersrights.org)

There is much more along these lines that could be done by voters and public sector workers to see that uniforms and other supplies bought in by public bodies are not produced by sweated labour.

### PFI, PPPs, Contracting Out

When placing any contracts, reaching deals with, or awarding subsidies to the private sector, government departments really should take into account at least the OECD Guidelines on Multinational Enterprises and the fundamental ILO Conventions to which they have agreed, as well as ensure compliance with national law.

### Pension Fund Investments

Public institutions could also be more influential by selecting where they invest their employees' pension funds. In some cases, trade union representatives sit on the fund management board, a position they can use to influence where the fund invests, not only in order to maximise returns. As for state pensions, pressure is growing on the Irish Government to bring ethical criteria into the investment portfolio.

**"The Irish government has decided to invest the national pension scheme on the open market. The legislation ... specifically omitted to include the application of human rights or environmental concerns in the investment criteria. At £7.5 billion, this is the biggest financial transaction in the history of the state. Where are the human rights principles of Ireland Incorporated?"**

Amnesty International, Irish Section  
[www.amnesty.ie](http://www.amnesty.ie)

## COUNCIL POWERS LIMITED

In June 2005, Fingal County Council faced a decision about its use of Gama Construction for work done in Blanchardstown. The company had been taken to the Labour Court by the unions for systematically underpaying Turkish migrant workers on-site. This was how Gama had undercut its competitors for the contract.

However, the Council Manager informed Fingal councillors that they were not in a position to decide never to use the company again. Nor could they restate that it is "a responsibility of the Council to ensure that all contractors employed are compliant with labour law". Instead, they were only able to agree that the Council "will seek to ensure contractors are compliant with labour law".

[www.fingalcoco.ie/minutes/2005/ff/0613/FF20053048.htm](http://www.fingalcoco.ie/minutes/2005/ff/0613/FF20053048.htm)

### International policy

More sustained pressure is clearly needed on governments to build corporate accountability into the global economy. Only they have the power to do this. They could be taking the OECD Guidelines and ILO Conventions into the international financial and trade institutions such as the World Trade Organisation and the International Monetary Fund. They could be strengthening the enforcement mechanisms of such global agreements, as well as the draft UN Norms on Business and Human Rights. At the very least, they could expand the powers of the International Criminal Court, so that it can try the worst corporate criminals.

There are many such ideas for action being pursued by trade unions and groups of concerned citizens in many countries. We can all take them up, whether as individuals lobbying our Members of the Dail or Parliament, or through our trade unions and other organisations. We elected our governments, and we need them to take these steps - in the interests of society and the planet as a whole rather than just the private interests of business.

**“The challenge for trade unionists is to prevent CSR from becoming a substitute for the proper role of governments and trade unionists. The opportunity for trade unionists is to use CSR as a way of promoting a culture of legal compliance and respect for standards as well as to promote good industrial relations and respect for the role of trade unions.”**

International Confederation of Free Trade Unions (ICFTU)



Graphic: MichaelPattiruhu/Clean Clothes Campaign



## TRADE UNION ACTION ON CSR

Which of these activities could you help to promote within your union?

### Pressure on employers in Ireland/UK:

- To build genuine CSR – that supports workers' rights to organise - throughout their global operations, including their supply chains and purchasing practices.
- To sign International Framework Agreements with Global Union Federations.

### Lobbying the Irish/UK governments:

- For stronger national legislation to ensure that companies meet their social and environmental responsibilities.
- To ensure that the draft UN Norms on Business and Human Rights are adopted.
- For the International Criminal Court to be able to try corporations as well as individuals.
- To take the values of genuine CSR, such as workers' rights, into the international financial and trade institutions, notably the World Trade Organisation, the International Monetary Fund and World Bank.
- To improve the operations and oversight of the National Contact Point for the OECD Guidelines on Multinational Enterprises, including an advisory board which includes trade union representatives.
- To build CSR requirements into public procurement, Public-Private Partnerships (PPPs), supply contracts, aid programmes, and public subsidies that they give to private enterprises.
- To integrate public enforcement bodies such as labour/health and safety inspectorates into CSR initiatives.

### Participation within CSR initiatives:

- Build joint campaigns with NGOs to promote CSR.
- Ensure that workers' rights to freedom of association and collective bargaining, rather than charitable concern, are put centre-stage of CSR.
- Encourage activists to consider carefully the impact on jobs and consult the workers affected before engaging in a boycott.

### Trade union solidarity:

- Support Global Union Federations in reaching and implementing International Framework Agreements with individual corporations.
- If you are employed in the local plant of a global corporation, take active part in building a global union network for its employees.
- Include CSR in negotiations with management.
- Campaign/negotiate for work wear and other supplies that are ethically sourced.

### Wider solidarity:

- Encourage union members to take part in consumer campaigns and opt for fair trade products.
- Use the power of your money in pension funds (particularly where trade unionists are represented on fund boards), bank accounts and shares.

**“Trade unions did not create CSR. However, neither the concept nor the phenomenon will disappear should trade unionists choose to ignore either... The challenge for trade unionists is to identify ways to engage employers in the CSR environment so that it involves genuine social dialogue and promotes good industrial relations.”**

International Confederation of Free Trade Unions (ICFTU)

# USEFUL RESOURCES

## Intergovernmental Organisations

### International Labour Organisation (ILO)

#### Declaration on Fundamental Rights and Principles at Work

[www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE](http://www.ilo.org/dyn/declaris/DECLARATIONWEB.INDEXPAGE)

#### Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

[www.ilo.org/public/english/employment/multi/download/english.pdf](http://www.ilo.org/public/english/employment/multi/download/english.pdf)

#### Business and Social Initiatives (BASl) database

[www.ilo.org/public/english/employment/multi/basi.htm](http://www.ilo.org/public/english/employment/multi/basi.htm)

### United Nations (UN)

#### Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

#### Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights

[www.unhchr.ch/huridocda/huridoca.nsf/\(Symbol\)/E.CN.4.Sub.2.2003.12.Rev.2.En?Opendocument](http://www.unhchr.ch/huridocda/huridoca.nsf/(Symbol)/E.CN.4.Sub.2.2003.12.Rev.2.En?Opendocument)

#### UN Research Institute for Social Development

[www.corporate-accountability.org/dosc/unrisd\\_guideCSR.pdf](http://www.corporate-accountability.org/dosc/unrisd_guideCSR.pdf)

### Organisation for Economic Cooperation and Development (OECD)

#### Principles of Corporate Governance

[www.oecd.org/dataoecd/32/18/31557724.pdf](http://www.oecd.org/dataoecd/32/18/31557724.pdf)

#### Trade Union Advisory Committee (TUAC)

[www.tuac.org](http://www.tuac.org)

#### OECD Watch

[www.oecdwatch.org](http://www.oecdwatch.org)

## Global Unions

### Global Unions

[www.global-unions.org](http://www.global-unions.org)

### International Confederation of Free Trade Unions (ICFTU)

Resources include 'A Trade Union Guide to Globalisation' and 'The Corporate Social Responsibility Concept and Phenomenon; Challenges and Opportunities for Trade Unions'

[www.icftu.org](http://www.icftu.org)

### International Textile, Garment and Leather Workers Federation (ITGLWF)

Links to the main codes for the clothing/footwear industries, and resources such as 'How to Use Codes of Conduct'.

[www.itglwf.org](http://www.itglwf.org)

## NGOs and Campaigns

### Agribusiness Accountability Initiative

[www.agribusinessaccountability.org](http://www.agribusinessaccountability.org)

### Business and Human Rights Resource Centre

A collaboration between Amnesty International, business groups, and academic institutions; provides an on-line library on misconducts as well as 'best practice', searchable on 2,400 companies.

[www.business-humanrights.org](http://www.business-humanrights.org)

### CorporateRegister.Com

The social, environmental, sustainability, etc. reports of about 2,500 companies from 70 countries, including CSR Europe members.

[www.corporateregister.com/csreurope](http://www.corporateregister.com/csreurope)

### Business and International Crimes

Research into legal issues governing corporate behaviour.

[www.fafo.no/liabilities](http://www.fafo.no/liabilities)

### Centre for Corporate Accountability

[www.corporateaccountability.org/index.htm](http://www.corporateaccountability.org/index.htm)

### Clean Clothes Campaign

[www.cleanclothes.org](http://www.cleanclothes.org)

### Corporate Europe

[www.corporateeurope.org](http://www.corporateeurope.org)

### Corporate Responsibility Coalition (CORE) (UK)

[www.corporate-responsibility.org](http://www.corporate-responsibility.org)

### Corporate Watch

Includes information on UK supermarket chains, including 'Off the Peg: Tesco and the garment industry in Asia', June 2005

[www.corporatewatch.org](http://www.corporatewatch.org)

[www.corporatewatch.org.uk](http://www.corporatewatch.org.uk)



## **Ecumenical Council for Corporate Responsibility (UK)**

[www.eccr.org.uk](http://www.eccr.org.uk)

## **Ethical Globalisation Initiative**

[www.eginitiative.org](http://www.eginitiative.org)

## **Friends of the Earth**

[www.foe.co.uk/campaigns/corporates](http://www.foe.co.uk/campaigns/corporates)

## **Interfaith Center on Corporate Responsibility (US)**

[www.iccr.org](http://www.iccr.org)

## **Behind the Label (UK)**

[www.labourbehindthelabel.org](http://www.labourbehindthelabel.org)

## **Maquila Solidarity Campaign (Canada)**

[www.maquilasolidarity.org](http://www.maquilasolidarity.org)

## **No Sweat (UK)**

[www.nosweat.org.uk](http://www.nosweat.org.uk)

## **Sweat Free Communities (US)**

[www.sweatfree.org](http://www.sweatfree.org)

## **United Students Against Sweatshops (US)**

[www.studentsagainstsweatshops.org](http://www.studentsagainstsweatshops.org)

## **Publications**

### **'A Critical Guide to Corporate Codes of Conduct: Voices from the South'**

Asia Monitor Resource Centre, Hong Kong, 2004  
[www.amrc.org.hk](http://www.amrc.org.hk)

### **'Behind the Mask: the Real Face of Corporate Social Responsibility'**

Christian Aid, January 2004  
[www.christianaid.org.uk](http://www.christianaid.org.uk)

### **'Checks and Balances in the Global Economy: Using international tools to stop corporate malpractice – Does it work?'**

International Baby Food Action Network  
[www.ibfan.org](http://www.ibfan.org)

### **'Corporate Social Responsibility and Codes of Conduct: New stakes or old debate?'**

World Confederation of Labour  
[www.cmt-wcl.org](http://www.cmt-wcl.org)

### **'Corporate Social Responsibility: Challenges and opportunities for trade unionists'**

By Dwight Justice, in Labour Education, No. 130  
ILO Bureau for Workers' Activities, International Labour Office, Geneva, 2003  
[www.ilo.org/public/english/dialogue/actrav/publ/130/index.htm](http://www.ilo.org/public/english/dialogue/actrav/publ/130/index.htm)

### **'CSR Frame of Reference'**

Overview of international standards and best practices.  
Dutch CSR Platform, July 2003.  
<http://www.mvplatform.nl/mvotekst/CSR%20frame%20of%20reference.pdf>

### **European Multistakeholder Forum on CSR, Final Report, June 2004**

[forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20final%20report.pdf](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20final%20report.pdf)

### **'International Union Rights'**

Especially Vol.12, Issue No.1, 2005 on 'Multinational companies and labour rights'  
[www.ictur.org](http://www.ictur.org)

### **Looking for a Quick Fix: How Weak Social Auditing is Keeping Workers in Sweatshops'**

Clean Clothes Campaign, November 2005  
[www.cleanclothes.org/ftp/05-quick\\_fix.pdf](http://www.cleanclothes.org/ftp/05-quick_fix.pdf)

### **'News from IRENE'**

International Restructuring Education Network Europe, Issue No.34, December 2004  
[www.irene-network.nl](http://www.irene-network.nl)

### **'Power hungry: Six reasons to regulate global food corporations'**

ActionAid, London, 2005  
[www.actionaid.org.uk](http://www.actionaid.org.uk)

### **'Responsible Business: Driving Innovation and Competitiveness',**

Business in the Community, Ireland, special report in the Irish Times, 27 May 2005

### **'The Corporation: The Pathological Pursuit of Profit and Power'**

By Joel Bakan, Constable, London, 2004  
and film of the same name by Mark Achbar, Jennifer Abbott and Joel Bakan  
[www.thecorporation.com](http://www.thecorporation.com)

### **'Trading Away Our Rights: Women Working in Global Supply Chains'**

By Kate Raworth, Oxfam, 2004  
[www.oxfam.org.uk/what\\_we\\_do/issues/trade/trading\\_rights.htm](http://www.oxfam.org.uk/what_we_do/issues/trade/trading_rights.htm)

### **'Workers' Tool or PR Ploy? A Guide to Codes of International Labour Practice'**

By Ingeborg Wick, Südwind, Bonn, 4th edition 2005  
[www.suedwind-institut.de](http://www.suedwind-institut.de)

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