

Etant Donnés

A Newsletter on Corporate Collateral Responsibility
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Strategy statement : *The GRESEA organized an international colloquium on the 28th of May in the Belgian Parliament entitled "Global Governance: the right to development, a corporate privilege?". The event was largely hailed by the audience, its success being first of all due to the speakers who came from different parts of the Old Europe, the New World and the Southern Hemisphere, and to our sister organization IRENE (International Restructuring Education Network Europe, the Netherlands, www.irene-network.nl). We won't attempt to sketch, here, the richness of all that was said, be it on the subject of new ideas or strategic options. They will be published in due time. We will, however, in this newsletter, try to pinpoint the essentials of the colloquium and the momentum created thereby. The starting point is founded on*

the realization that the production units of economical and financial activity have more and more become key factors of historical change, and this to such an extent that they completely clutter our field of view, distracting us from the things we really care about, liberty, equality, fraternity - and solidarity. This process could almost be compared to a hold-up, a take-over of mind and heart. Better still: not only are we obsessed by the Corporate world, but we think along its own terms, using its language, values and mental constructions. So, what's the way forward? How are we to assess our work and, then, move on? That was the core question of the colloquium, to break new ground and fire off new horizon-building missiles. A first sample is given below.

To create another world, we need some alternative thinking

Another world is possible. It is no doubt true. But, then, you need some alternative thinking. The international colloquium that IRENE-GRESEA organized on the 28th of May did, on the subject, put forward a few propositions that might interest all people that seek to transform the world.

First of all it's the idea, singled out by **Georges LeBel** (Université du Québec à Montréal), that the fundamental mechanism of contemporary capitalism – privatisation of profits coupled with a general sharing of risks - has lost, through globalisation, all appearances of legitimacy : within the nation-State, the gains made by a few did more or less trickle down to compensate the losses of the masses ; in a world economy, however, the North has a monopoly on the profits whereas the South bears alone the burden of the losses. So, no future ? Not so, according to LeBel, but our struggle should concentrate on ideology (think differently, as we've said) and, to his effect, he outlines two lines of resistance : « *Revitalise the State, that's the urgency, and in order to do this we need to restore the collective trust in politics.* »

Then there's the idea, advanced by **Prabhat Patnaik** (Jawaharlal Nehru University, New Dehli), that the overreaching hold of global finance on the world affairs is leading everywhere to deflationist policies (creating unemployment) and State disengagement. Its victims, the people, and foremost the peasants, should therefore unite to reclaim national sovereignty in order to fight this anti-democratic thrust. This choice implies, according to Patnaik, that we, as nations, need to rely on ourselves and, thus, to ask ourselves how we define a « good life »: does it really amount to all the gadgets Made in the American Way of Life, imported at a the highest price, our dependence to world markets ? This question puts the problem of the right of people to self-determination in a new and interesting light.

It's also the strong idea put forward by **Patricia Feeney** (RAID, Oxford) : yes, the OECD « norms » (guidelines) on corporate misconduct represent a weak instrument, but it should be used because it's an opportunity for social movements to make « *a clear public statement* », to « *draw a moral line* »: « *It's our duty,* » she said.

Then we have **François Houtart** (Centre Tricontinental, Belgique). He stressed that a radical criticism of capitalism – its core-logic cannot be salvaged nor humanised – does not imply that one shouldn't implement a step by step strategy that helps out, here and now, the suffering humanity. There is here, evidently, a difficult equilibrium to achieve in order not to let these "small steps" clutter the field of vision and fill it with mirages and smoke-screens.

Lastly, turning to **Samir Amin** (Forum des alternatives, Dakar), we were reminded that History does not repeat itself. This implies that, at a time when American imperialism aims for military world control, we oughtn't forget that there won't be, in the South, a remake of Bandoeng and its Non-Alignment. Neither will there be a remake, in the North, of the « social compromise » between capital and labour. And there will be no remake of the traditional trade-union counter-power, a fact that nevertheless makes it all the more necessary and urgent to « *rethink the reconstruction of the unity of the workers' front* ». The « *series of successive breaks* » brought about by the World Social Forums process are, from that point of view, full of promises, said Amin, even though alternatives have yet to crystallize. Amin insists: we are talking here of alternatives, in the plural, because there is no longer one single way to transform the world. Here, too, there won't be any remakes. (The next newsletter will analyse the advantages and drawbacks of Corporate Social Responsibility, a controversial theme that was also at the centre of the IRENE-GRESEA colloquium– Erik Rydberg/Gresea)

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Strategy statement : *The international colloquium organized by IRENE-GRESEA on May the 28th in the Belgian Parliament set out to re-examine in a new light the function of corporations in development, bearing in mind that corporate self-regulating instruments (known as Corporate social responsibility) have been proven unsatisfactory. That corporations do play a predominant role in development is well known, as is illustrated by the mantra « Trade, not Aid » which more and more serves as a guideline for all development policies in the North. This evolution can be analysed in terms of “neo-imperialism” and, from the point of view of the people affected, countered by stressing the rights to self-determination, sovereignty on natural resources, political and economical independence: all the principles, in other words, that the Third World has set forth through its Right to Development agenda. Several speakers at the colloquium, such as Samir Amin, Prabhat Patnaik, François Houtart, expounded this approach, as indicated in the previous issue of this newsletter. Here, in the second part of the analytical review of the colloquium, we will broach alternative or critical ways of looking at Corporate social responsibility and its allied theme of public-private partnerships. The idea, here, is that some form of collaboration with corporations may be necessary or, at least, useful. It’s an issue that remains largely open to debate. But, let’s hand over the word to the speakers who explored this strand of thinking...*

Another corporation, is it possible ?

Another world is possible. Such was the main thread of the IRENE-GRESEA colloquium. Can this be said also of corporations? Can they be ethical, responsible, caring for the common good?

All these notions are today central to the corporate ideology. They are the result of a process that the World Confederation of Labour (WCL) has analyzed in a recent publication (April 2004) entitled *Corporate social responsibility : new stakes or old debate* (on-line : <http://www.cmt-wcl.org/>).

We’ll only pinpoint two items here. Firstly, it’s the fact that Transnational Corporations Commission of the United Nations, founded in 1974 as a demand of the Third World to have a counterweight to corporations, was suppressed in 1993. And, secondly, that this opened the way for the dynamics of corporate voluntary selfregulation, something which leads, according to the WCL, to « *weakening, or else eliminating, legislative and contractual rights; weakening, or else eliminating, the regulatory and arbitration role of national and international authorities; choosing suitable partners and setting aside others; avoiding real progress in the justiciability of human rights and promoting corporate governance (as a) project for society* ».

Does it imply that CSR, Corporate social responsibility should be rejected as such? **Tom Fox**, researcher at the International Institute for Environment and Development (Great-Britain), doesn’t think so: « *One shouldn’t throw the baby with the bath-water* ». According to him, CSR presents three challenges today.

For one, there’s a need to go beyond the sterile, and his view artificial, conflict between voluntary norms and binding norms : both may, can and should be complementary. Then there’s the problem arising from the fact that CSR remains, until this day, a regulating mechanism which is predominantly defined and determined by the advanced economies of the North. Finally, CSR concerns almost exclusively big corporations, leaving out small and medium-sized businesses. CSR may work a lot better on the latter level, suggests Fox: “*Good practices tend to be catching*”. According to Tom Fox, one should strive to find an equilibrium, a mix of selfregulation and binding norms satisfactory to all parties.

This approach was not unanimously well received, among others because it injects confusion in the very notion of norm-setting, which cannot hardly, by definition, be voluntary. On the other hand, Fox insisted, rightly, that CSR represents “*an entry* » to corporations.

José Utrera works at Wemos, a NGO founded 25 years ago by medical students of the University of Amsterdam (The Netherlands). He set out to describe the major drawbacks of the public-private partnerships in the health business sector, an area generating a turnover of three trillion dollars in the OECD area in 2002 and, probably, 25% more in 2005. “ *Public-private partnerships were first launched in 1986 by the Lion’s Club and the formula was quickly taken up by transnational corporations, giving rise, in the nineties, to some 90 initiatives*”. Let’s spell that out in plain English : we’re talking about health programs in which the private sector (pharmaceutical industry, in a selling position) and public authorities (national & international institutions, in a buying position) seek to “work together”. The consequences thereof are easy to imagine: fragmented health programs, spatial (cities rather than rural areas) and terapeutical (drugs & equipment rather than healthcare staff) disorder and the side-stepping of the WHO, the World Health Organisation. What’s at stake, her, according to Utrera, is the need to reinforce the WHO and, with it, there we are again, its norm-setting function. (Erik Rydberg/Gresea - anciens numéros sur notre site www.gresea.be)

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