



Corporate
Social Responsibility:

Whose Voice Is Heard?

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Colophon

Text: Karolien Bais
Editor: MVO Platform
Translation: Tamara Slowik
Cover: Annelies Vlasblom
Cover Photo (SP) Frans Schellekens
Publisher: MVO Platform
Sarphatistraat 30
1018 GL Amsterdam
The Netherlands
T: +31 (0)20 639 12 91
F: +31 (0)20 639 13 21
info@mvoplatform.nl
www.mvoplatform.nl

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Introduction

“The voice from the South is not heard enough when it comes to defining corporate social responsibility.” That message came clearly across during the CSR World Wide Week in May 2008. Some 27 civil society representatives, mainly experts from NGOs and trade unions, from Eastern Europe, Africa, Asia and Latin America came to The Netherlands to discuss their experiences with CSR, and how the mainly ‘Northern’ concepts influence the daily life of people in developing countries.

This lack of ‘voices from the South’ was exactly the reason why the Dutch CSR Platform (MVO Platform), a coalition of 33 non-governmental organizations, invited these experts. There may be an abundance of well-meant initiatives to promote corporate social responsibility, but how appropriate are they in the context of developing countries? What is the use of highly sophisticated regulation if following the rules leads to further impoverishment? What is the use of an intricate strategy towards the government in a country where the government has no notion of the importance of CSR?

The Dutch CSR Platform, a strong advocate for the compliance of corporations with internationally agreed-upon standards, wanted to utilize the CSR World Wide Week to identify the gaps between the ‘Northern concepts’ and the ‘Southern reality’. And that is exactly what a full week of exchange, discussion, debate, training and learning produced: a better knowledge of the challenges that Southern NGOs encounter in their day-to-day experiences with CSR. The Dutch CSR Platform will definitely incorporate this knowledge in its strategies, and will put more effort in creating and supporting international networks of NGOs involved in CSR. Everybody agreed that this is an effective way to ensure that strong voices will arise and that their articulation will not get lost.

The CSR World Wide Week 2008 showed no lack of ‘voices from the South’. Participants came up with impressive testimonies. This publication offers a collection of these stories (complemented with two ‘voices from the North’), hoping they will inspire a better CSR practice in the near future.

Daisy Kambalame, African Institute of Corporate Citizenship in Malawi:

“The North looks for processes, the South looks for impact”

From whose perspective is CSR defined? The knowledge development in this field is primarily happening in the North and there is little room for the perspective from the South, states Daisy Kambalame, country manager for the African Institute of Corporate Citizenship: “The North focuses on the process, whereas the South looks for impact. The North talks about how to report, the South looks at the changes needed.”

Daisy Kambalame is very busy being ‘the voice from the South’. She participates in drafting the ISO guidance document on Social Responsibility (ISO 26000) and is the focal point for the UN Global Compact in Malawi. “But,” she complains, “there are not enough voices coming in from the South to influence the agenda. It is really expensive to participate. And it takes time to read all the documents and give good comments, which goes at the expense of your regular work. Apart from Nigeria and South Africa no country can afford to send more than two delegates. How can we get more people engaged, to join and go back to their own country to define what is CSR from their own perspective?”

“In the North there is a lot of emphasis on the process, on how to report and on how to implement actions, whereas if that same conversation takes place in Malawi we look at impact, at what needs to be changed. We search for activities that will make a difference for the lives of plantation workers. We want practical tools. We identify the input we require of companies. This is an approach that can help to refine and better define CSR principles.”

“There are a lot of issues that the North should listen to. What is the local situation, how do decisions affect daily life? After all, it all comes to improving people’s lives. So, we should let them decide for themselves what is improving their lives. Under fair trade regulations, for example, producers of sugar should invest their premium in development activities for their community. That is all very fine, but what if the person who planted the sugar cane lives in a house with a leaking roof and wants to repair it with the money he has earned? Under fair trade rules this is not allowed. But why focusing on the bigger picture without tackling the problems that this particular person is facing on a daily basis? We should not define for people what their priorities are.”

“What is really at stake is that the South should bring this grassroots-based approach into the knowledge development in the North. I am involved in ISO 26000 since 2005, but it is a huge investment. We try to disseminate the information in our own country, but it is hard to get people thinking about all these topics if the information is only on paper. What we need is a platform, where people get better informed and more empowered.”

Women and mine labour: an alarming case

'At night her teenage daughters sleep inside the house, while she is sleeping on the ground outside to prevent contractors or supervisors from the mines to sexually abuse them. During the day the nightmare for the ladies continues, which is like a fabric where poverty, frustration, aggression, alcohol, a legitimating social structure and corruption of politicians are strictly interwoven.'

This fragment comes from research among widows, working in the stone quarries in the Jodhpur district in Rajasthan, India. Widows are plentiful, as mineworkers often die young of respiratory problems. As the death cause of their husbands is officially tuberculosis and not silicosis, the widows receive no compensation. They have no other option than continuing the work in the mines, only now without the protection of their husbands.

One of the researchers is Rana Sengupta from the Mine Labour Protection Campaign in Jodhpur. He and his colleagues from other NGOs identified thousands of widows and the health records of their husbands. With their research they confront both the companies and the government. Rana Sengupta: "Workers who are still alive should immediately be diagnosed and their lives should be protected. The widows need to get a piece of land and alternative livelihood opportunities, and the children should be taken care of by the government." The researchers also took their results to the unions who should take action for compensation, and to NGOs who work on the rights of single women.

For structural improvement of the whole supply chain Rana Sengupta came to The Netherlands to talk to the Dutch importers of natural stone. "We tell them to open their eyes and take sensible steps to improve the labour conditions in the mines. Everyone in the supply chain makes good money on the stone, except for the labourers. They are the most vulnerable."

Li Zhiyan, director of the Social Resources Institute in China:

“In the Chinese context these standards are too high”

Sometimes you achieve what you have been fighting for, but the results are the reverse of what you aimed for. This happens in China, where new national labour contract legislation, intended to secure labour rights, has led to massive dismissals. The Social Resources Institute in Beijing, involved in research on CSR and sustainability, held surveys in two large industrial areas in China and discovered how companies evade the labour contract law.

Li Zhiyan, director of the Social Resources Institute: “A new element in this law is that all companies should sign contracts with their employees and that employees who have been working for the company for at least ten years are entitled to open-ended employment and all kinds of insurances. Now we notice that companies fire their workers and then recruit them again, in order to evade this ten years term. We talked with the managers of garment factories and they said that they felt compelled to dismiss workers because, due to the new law, the costs per employee had risen with about €30 a month. Companies feel that the standards are too high.” “NGOs initially welcomed this law, but seeing the impact they call for an evaluation. An evaluation research should be done on a large scale to find out what the exact impact of the new labour law is. It should not only focus on the standards, or what we expect, but also what the fact is. And the voice of organizations from different background should be listened, especially NGOs.”

“As for the standard, the labour laws are well designed and sometimes even prescribe higher standards than what is internationally required. But it’s very difficult to put them into practice. In the Chinese context these standards are too high. As we investigated, the labour conditions (including salary) in China have improved rapidly over recent years. We ascribe it to the overall development of Chinese economy. It is only when the economy is more developed that companies will be able to comply with these standards.”

“In the meantime, we should expand the choice of the workers. If there is more competition, people have more possibilities to choose their employer and employers will have to come up with something extra to keep their personnel. We should create more businesses, especially in agriculture and especially in remote areas. Then people don’t have to migrate to the industrial zones. They can stay home and make a living. But in China the

informal sector is forbidden and self-employment is extremely expensive. These conditions should be changed rapidly.”

“In China, CSR is very popular from a business perspective. Every company wants to know about international standards and guidelines. But from the civil society perspective CSR has yet to be introduced. That is where our institute has an important role to play. So we provide information, clarify misunderstandings and stress that the role of the government and NGOs in CSR is really crucial.”

Ambreen Waheed, Responsible Business Initiative in Pakistan:

“Softer issues can better be promoted by setting examples”

Should corporate social responsibility be implemented on a mandatory basis or is it more effective to stimulate companies with voluntary regulations? This is a highly disputed matter, with both sides being strongly advocated. Ambreen Waheed, director of Responsible Business Initiative in Pakistan, supports a combination of mandatory and voluntary.

For over a decade Responsible Business Initiative has been involved in appraisal, benchmarking, and capacity building. Its founder and director Ambreen Waheed has a wide experience in international organisations, like the Global Reporting Initiative and the UN Global Compact, bodies that promote CSR on a voluntary basis.

Ambreen Waheed: “There are areas where mandatory regulations are important. Think of issues like wages, health and safety standards, or access to information. In theory regulations and standards can work very well, in the sense that they put companies on track to adopt a lot of measures. But in practice problems arise. Who enforces the implementation of regulations, and who is checking it? Pakistan has very stringent environmental laws, but the government is too weak to force companies to comply. There are certified companies who perform worse than non-certified companies. Some companies have a good relationship with the auditors, a situation that leads to unbalanced competition. To whom are the auditors accountable? Who will assess the assessors?”

“So, my personal opinion is that for some issues regulation is important, but the ‘softer’ issues can better be promoted by setting examples, by talking, by raising awareness in companies to make them understand the reasons behind doing things, to make them understand that these things are good for their own business and for their own employees. In the long run the responsible companies stay in the market.”

“Checking wages of labourers is not just about the height of the salaries, but also about how labourers are treated, about what they can do with their money, about the empowerment of women to use the money they earn when they go home, about the stress involved with the work. We need people who can look behind the scenes, who can understand peoples’ emotions. So, you need NGO linkages with the community, you need NGOs that are able to report back in an informal way. We have to build the capacity of the civil society to create a demand on businesses. If

consumers will start lobbying, it will bring a lot of changes. Also the media can have more impact on the behaviour of companies. We should create this kind of structures, as they are more influential than mandatory prescriptions.”

“Guidelines are good, because they are a benchmark. But CSR comes from the heart, comes from the people’s problems with health, the environment, or food. Companies need to understand this. I have worked with companies that have been certified, and have followed all the regulations, but still are not good companies. That is why I say that some of the more soft things cannot be regulated.”

Advocating responsible business in South Asia

South Asia's association for regional cooperation, SAARC, has found its countervailing power in a new network of NGOs working on CSR. The South Asia Forum on Responsible Business (SAFoRB) recently published a framework for constructive engagement between civil society organisations and companies ready to play a role in achieving the Millennium Development Goals in South Asia¹.

SAFoRB comprises the same eight countries as SAARC: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Sudipta Bhadra, acting as the interim coordinator, explains why the same geographical composition was chosen: "We want to lobby the SAARC countries, as they are coming up with economic agreements between their member states and the natural resource rich region has emerged as a major supply hub for primary and semi-finished products to developed markets. These eight countries share a lot of socio-political commonalities. The issues concerning the Millennium Development Goals are similar; there are big similarities in culture and; labour movement is high in the region. With quite a few businesses from the region, particularly India, assuming the status of TNC in recent years, it is important that CSR is integrated in their core business strategies from the beginning.

Sudipta Bhadra, Senior Programme Officer with Partners in Change in India, has been involved in building the network during the last few years. "It was not always easy to identify NGOs working on CSR. In countries like Afghanistan, Bhutan and Maldives, where CSO movement is itself in an infant stage, the idea of CSR is totally new. Still, we wanted to include NGOs from these countries to collectively address the regional CSR issues. We believe it will also develop their capacity to engage with business for constructive development in their country."

As soon as a new independent director has been appointed, SAFoRB will establish its secretariat in Dhaka, Bangladesh. In the meantime Partners in Change in Delhi can be contacted for more information.

¹ SAFoRB, Frame of Reference for Responsible Business in South Asia, 2008, <http://www.picindia.org/upload/view/exearchivedisplayfilegallery.asp>

Álvaro Bazán, Fundación Emprender in Bolivia:

“It is time for judging between good and bad actions”

In partnering with the private sector to establish sustainable and socially responsible practices, NGOs can be torn between their commitment towards the company and their role as a watchdog. Fundación Emprender, a Bolivian NGO that promotes the engagement of companies in poverty alleviation, tries to solve this problem by carefully separating the inside and outside roles.

Álvaro Bazán is director of Fundación Emprender. “Five years ago we did a short research on CSR in Bolivia. It appeared that the only ones who paid any attention to the subject were companies. NGOs were focused on something else, the government until now is not doing anything on the subject, and the press was lost.

We could start CSR either from the watchdog side, monitoring and judging, or from the alliance side, delivering tools and guidance. As we knew that our young organisation didn't have much influence, we expected companies to back off quickly if we chose the watchdog side. That is how we came to be a partner of companies. Our big example was Ethos Institute for Companies and Social Responsibility in Brazil, which had a very good, very honest model. They support CSR activities, they do not really take sides with the company, and they don't judge the companies. So we took that model.”

“We have done this for almost five years. We adapted and developed tools for responsible management in companies. We organized seminars, conferences and workshops, provided training and advice, and helped companies to engage in partnerships towards promoting CSR programs. Now that CSR practice has evolved and there is some kind of CSR movement, we think it is time for monitoring and judging between good and bad actions.”

“However, as we are seen as partners to the companies, it is difficult to show up with a different flag: we partner with you today and tomorrow we are going to hit you on the head. We try to find NGOs that are willing to do the advocacy, so that we can remain in the field of tools, guidance and strategy. And we also call in the media, since media reports have a strong influence on companies.”

“Nevertheless, we still have this tension. In Latin America there are two large CSR networks, one is company-based, the other one NGO-based.

We are kind of in the middle. We have roundtables of multi-stakeholders. But, for example, we don't have unions on board. Should we or should we not involve them? There is a win and a loss in having them on board. For the moment we invest in looking for more NGO partners to lead the advocacy side, so that Emprender can stick to its core business. But we need a lot more NGOs in Bolivia. We don't want a monopolistic position. We want to be a respected voice, but not the only voice."

Investigate, punish and redress corporate abuses

Multinational companies have benefited immensely of economic globalisation. They can act as they please, invest or disinvest, and they are pampered with privileges of governments. The increased corporate power should be met with measures against abuse, but international law lags behind. There is only a judicial hotchpotch that furthers obscurity. As a result, trialing multinationals is rare, let alone the compensation for the victims.

Voluntary, non-binding, norms for multinational corporations are abundant: the OECD has its Guidelines for Multinational Enterprises, the ILO has its Declaration on Multinational Enterprises and Social Policy, the UN Global Compact has its 'ten principles', and many companies have their own codes of conduct with regulations on human rights. But in this patchwork of mechanisms monitoring and sanctions are a missing part.

In April 2008, the Special UN Advisor on business and human rights, John Ruggie, delivered his report after three years of broad consultations². He identifies gaps in governance and to fill these gaps he proposes a three-fold approach: protect, respect and remedy. It is the state's duty, he argues, to protect human rights, for instance by fostering corporate cultures in which respect for human rights is integral and refraining from bilateral agreements that provide legal protections to investing companies. It is the corporation's responsibility to respect human rights. And when they fail to do so, there should be legal frameworks to hear complaints and enforce remedies against corporations.

Ruggie calls for strengthening existing structures, such as the National Contact Points for the OECD Guidelines. Also companies themselves should institute grievance mechanisms as part of their commitment to respecting human rights. Any system for human rights protection, Ruggie states, is useless unless there are effective mechanisms to investigate, punish and redress abuses.

² United Nations Human Rights Council, Protect, Respect and Remedy: a Framework for Business and Human Rights, April 2008, <http://www.reports-and-materials.org/Ruggie-report-7-Apr-2008.pdf>

Gine Zwart, Oxfam Novib in The Netherlands:

“Companies don’t expect us to refrain from criticism”

The majority of abusive operations of multinational enterprises occur in developing countries. Local NGOs often lack the power or the capacity to open doors of multinational companies. The support of large international NGOs can be an important leverage to start discussing these issues. Gine Zwart, policy advisor of the Private Sector Team of Oxfam Novib: “If Dutch multinationals are involved, our Southern partners can count on us.”

After an intensive dialogue with Oxfam Novib, the Dutch bank ABN AMRO last year decided to stop investments in companies that produce cluster bombs. A few months earlier, the bank’s involvement in the weapons industry had been exposed in a television documentary. Reputation damage was looming, and ABN AMRO chose to dissociate itself from financial ties with this ‘tricky business’.

Gine Zwart: “Because Oxfam Novib belongs to the large and reputable network of Oxfam International, multinational companies know that we have connections all over the world. This often puts us in a better position to start a dialogue than a small local NGO that is easily brushed off. But of course, this works only with regard to large companies that are vulnerable to consumer pressure.”

“Over time we have evolved from considering companies only as a cause of poverty to viewing companies as a part of the solution to poverty too. As a consequence, we can play different roles at the same time: on the one hand we can cooperate with the private sector, for instance in improving their supply chain, and on the other hand we can remain critical about their operations. Companies don’t expect us to refrain from criticism. On the contrary, they often thank us for our ‘wake-up call’. Sometimes our criticism is even hailed as giving cause to internal changes. Dutch multinationals are accustomed to the stakeholder model, in which it is common practice to consult consumers and other stakeholders in society at large as well as shareholders. That is a great advantage.”

“What does pose a dilemma in our cooperation with companies is that they expect too much of us in their endeavour to reduce poverty. Companies want quick results, but reducing poverty is not done overnight. Besides, we don’t always have enough capacity to participate in the implementation of their plans and strategies. Improving the supply chain of, say, pineapples, from assisting the farmers in West Africa up until

stocking the shelves in the Dutch supermarkets is a long course. And we don't want to prescribe African farmers how to act. We feel very strongly about self-determination."

"Our influence on smaller companies down the chain is limited. For Oxfam Novib it is very difficult to get a hold on a local company in the Philippines or Colombia. Then it is up to our local partners to act. They can certainly count on our cooperation. And at least they are more or less protected against harassment or arrest by their affiliation with Oxfam International."

Developing new ground in Armenia

Developing new ground, that is what the Business and Community Development Center (BSC) in Armenia has been doing the last couple of years. The concept of CSR was virtually unknown in the country and best practices were hard to find.

Samvel Gevorgyan, director of BSC, a consultancy that was founded in 1994 with support of the EU: “We really had to start with raising awareness. At the time people in Armenia thought, ‘CSR? That’s not eatable’”.

“In 2004 we did research among sixteen companies. We found out that they did much CSR work without knowing it, like supporting schools or renovating infrastructure. It was all improvised, without strategy or policy. Sometimes it was more charity than CSR. Then we did pilots in three sectors. Companies started to say, ‘okay, let’s try, maybe it is tasty’. Companies gained some knowledge to differentiate between charity and CSR. The public opinion was positive and it gave them a good image among communities. Now companies already say, ‘you know, it tastes good, we can get some benefits from applying CSR’.”

His experience is that small and medium enterprises in Armenia have a better understanding of CSR than large companies. Gevorgyan: “Especially large companies say ‘What do we need that for, we have other problems’. Small and medium enterprises are friendlier, more flexible.”

The Armenian government is still absent in this field. Gevorgyan: “There is nothing coming from them, no stimulation, no legislation, and no control. So we are going to establish a network. Our resources are limited. We have to join forces with NGOs and companies to lobby at the government. Armenia needs legislation.”

Cuana Angula, IUF, South Africa:

“We should know the conduct of the leaders appointed by us”

Eager for investments governments tend to gratify companies all kinds of privileges. Lesser or no tax, ‘easy’ land lease, the right to apply lower environmental standards, or the right to fire and hire as they like. How can civil society get a hold on these, sometimes secret, arrangements between governments and companies?

Cuana Angula is project coordinator of the IUF, a global federation of 366 unions in the food and agricultural sector. Angula, based in South Africa, is responsible for multinational corporations in Africa, especially Coca-Cola, Nestlé, Unilever and Heineken.

“When governments have bilateral agreements, classified or top secret, which are not accessible to the outside world, there is not much that unions can do,” he says. “We just don’t know what these arrangements contain. In South Africa we have a law on access to information, but the government has the right to refuse access to ‘classified information’. So there are loopholes. You can only get a hold on these contracts if they are ratified by parliament.”

“But it is not only these ‘secret’ agreements we worry about. There is also a lot going on in companies in rural areas where people don’t have access to telephone or Internet, so they can’t send the information out to representatives of a union, for instance. So, what we do is promote transparency in the public and private sector. We should know the conduct of the leaders appointed by us. We should be consulted in matters affecting us, rather than giving them the proxy to act on our behalf and finding out that some of their actions are detrimental to us, citizens of this country. What we do with our members is building their capacity in CSR.”

“Currently I work on Unilever and Heineken to help unions understand their corporate strategies. Sometimes our unions don’t know what to do, although they work inside these companies. These companies do not adhere to the same laws wherever they work. Unilever for instance operates differently in South Africa than in Kenya or India, where the company is moving from regular employment to casualisation. People lose their jobs and are temporarily hired again without social benefits. South Africa has tough labour laws, but has no provisions on casualisation of labour, so companies are free to hire and fire.”

“If we notice that a company doesn’t apply the same standards in a host country as in their home country, we mobilize the IUF head office in

Geneva to launch a complaint at the National Contact Point for the OECD Guidelines for Multinational Enterprises. But this process takes time. You only see action after six months and by that time people have lost their jobs already. So we need to speed it up.”

Unsustainable gold mining in Ghana

In 2006 OECD Watch, an international network that monitors the practices of multinational companies, conducted a field tour to Ghana's gold mines, operated by Bogoso Gold Limited (owned by Golden Star Resources), Gold Fields Ghana (owned by AngloGold Ashanti), and AngloGold Ashanti itself.

The group met with local leaders and community organisations, witnessed the impact caused by mining companies, and was informed about the complicity of the government in corrupt deals. As *Ciro Torres* from Ibase (the Brazilian Institute of Social and Economic Analyses) reported, the tour revealed the large gap between the publicly expressed CSR commitments of companies and their activities on the ground.

Although the companies promise to bring development and prosperity, ten years of open pit gold mining has changed the life in the region for the worse. *Ciro Torres*: "Villages are covered with dust cloud from explosions to extract the gold. When certain ore veins run out, these immense craters become huge dead lakes, as a result of the large amount of heavy metals and cyanide. There is no life in those visually beautiful ponds. This form of gold exploration contaminates the soil and the water beds, pollutes the rivers and the plantations in several areas and turns fishing, cultivation of food and the use of the water impossible for human and animal consumption."

If the local people demand justice or compensation, they are threatened and sometimes even shot at by the security personnel of the companies. *Torres*: "Such practices would not be acceptable in many other countries where these same companies operate or have their head offices."

Marije Rhebergen, certification expert ICCO in The Netherlands:

“Certification is a means, not an end in itself”

It is all very well that consumers in the North want to know exactly what they buy, but a great deal of the burden of certification is on the producers in the South. Of course there are benefits, like access to global markets, but, says Marije Rhebergen, certification expert of ICCO: “Too much of the burden is on the South. We should find ways to share the costs in the entire supply chain.”

Being advisor on market development in Latin America, Marije Rhebergen knows what it takes for producers in developing countries to meet product standards and transparency requirements. These demands, by the way, are not only set for the international market, but also for the domestic market. One of the instruments to deliver transparency in the supply chain is certification. Marije Rhebergen: “I have come across producers of agricultural food products who are faced with ten or more different and detailed certification schemes. As a consequence, they have to deal with all the related inspection teams, all of which demand corrective actions here and there. Not surprisingly, they wonder if the benefits equal out the costs. The need for more efficiency is obvious.”

“Certification should be a means, not an end in itself. It is all about showing how a product is made in order to gain credibility and sustainability. But as certification is becoming a trend, the amount of schemes is also increasing. And so is their variety, ranging from codes of conduct, peer-to-peer-reviews or self-assessments to very rigid systems with profound standardization and inspection.”

“The problems for producers are paramount. First there is the accessibility of these schemes. Then come the costs. Sometimes there is a big overlap between schemes and sometimes the requirements are not appropriate in the context of small producers.”

“We lobby to achieve more harmonisation between the systems, like combining fair trade certification and sustainable forestry, or bringing together the requirements of fair trade and organic trade. Other options to reach more efficiency might be joint inspections, group certification, or multi-stakeholder involvement. Southern producers would like to be represented when it comes to building certification schemes. You could bring in all involved parties, like traders, producers, industry, NGOs, et cetera. That would be very advantageous for both the content of the schemes and the commitment of all participants. If more stakeholders are

involved in the process, the awareness of sustainability grows. The only drawback is that such a process takes more time, but on the other hand the chance of success is bigger because the standards fit the local context.”

“In those multi-stakeholder processes NGOs can support Southern producers to tackle the bottlenecks. ICCO for instance provides assistance in getting access to certification schemes and in implementing a sound internal control system that anticipates certification. We consider this as a part of our support in strengthening organisations of small producers and promoting sustainable value chains.”

Bekele Mosisa, Facilitators for Change in Ethiopia:

“Labour laws are one thing, corporate behaviour is quite another”

Every single African rose entering the EU market has to comply with quality standards and phytosanitary regulations. The EU seems to bother a lot with the quality and the looks of the flower, but less with the way it is produced. How about complying with labour standards or basic human rights? These are delicate issues, according to Bekele Mosisa.

Bekele Mosisa is executive director of Facilitators for Change-Ethiopia (FCE), an NGO dedicated to improve the livelihoods of some 8200 small farmers. FCE stimulates them to get organised, and then links their organisations to reliable and regular buyers in order to get greater market access, both local and abroad. FCE also supports women empowerment projects and programmes for working children.

“The issue of CSR,” says Bekele Mosisa, “is new in Ethiopia. However, the government is getting interested, and is giving it more attention than before, both because it creates more income and because it is good for the reputation. Now that more and more flowers are entering the EU market - even more than coffee - the government starts promoting CSR. There is a government organisation that stimulates companies to develop a code of conduct. But still, you cannot aggressively talk about CSR to companies. It is not easy to convince them of the importance of socially responsible behaviour.”

“We talk about fair payment, protection for workers in greenhouses, fair compensation for the farmers who are evicted from the land, environmental issues and so on. Everybody agrees on these issues, but in practice they remain a big problem. We do have a labour law, but it also has limitations, leaving much space for employers to act as they like. Many companies have labourers on a wage basis, not on a contract basis, so they hire and fire whenever they have too little or too many workers.”

“Having a labour law is one thing, corporate behaviour is another. Companies say that they pay the same salaries as other companies, but they are still far below the payment in other countries. Most flower producing companies are Dutch or Israeli, working with Ethiopian partners. They comply with the Ethiopian labour law, which is of a much lower standard than labour laws in Holland or Israel. What counts for them is whether they meet the quality standards of the flowers, not the quality of

life of the labourers. These are delicate issues. Gradually we will see improvement.”

“What can hamper our work in the near future are new upcoming laws for NGOs and civil society organisations. These laws are very restrictive towards our intervention areas. For instance, we will not be allowed to intervene in any public service deliverance. Also, if we receive foreign money, we will be considered as a foreign NGO. If these rules become law, it will make our work very difficult, as we are supported by five foreign NGOs. So, what we can really do in the field of CSR highly depends on the context we are living in.”

Falling tea prices affect working conditions

Working conditions of tea pickers worldwide are notoriously bad. Tea pickers often have low job security and low wages, they face discrimination along ethnic and gender lines, and they lack basic facilities like proper housing and sometimes even drinking water and food. Expectations are that these problems will only deteriorate, due to low tea prices and high production costs, says Sanne van der Wal, the author of the SOMO report ‘Sustainability Issues in the Tea Sector’, published in June 2008³.

“Production methods are changing. Small producers are increasingly replacing large tea plantations. They are cheaper, but often the labour conditions are worse. Besides, it is more difficult to improve conditions at smallholders because they are less regulated and organised. This poses a challenge for tea companies like Unilever or Sara Lee that are increasingly seeking compliance with higher social and environmental production standards.”

The SOMO report provides a comparative analysis of social, economic and ecological conditions in six of the most important tea producing countries: India, Indonesia, Kenya, Malawi, Sri Lanka and Vietnam. It shows that tea trade and distribution is dominated by a few multinationals, such as Unilever, Tata Tea and Sara Lee. They benefit from stable retail prices while prices for tea producers are falling and up till now they have been unsuccessful in addressing the problematic conditions in their supply chains.

With this comparative analysis of conditions, obstacles and opportunities in the tea industry and by making recommendations SOMO aims to contribute to a more sustainable tea sector.

³ SOMO, Sustainability Issues in the Tea Sector: a Comparative Analysis of Six Leading Producing Countries, June 2008, http://somo.nl/publications-nl/Publication_2548-nl/

Belén Esteves, Fundación Ambiente y Recursos Naturales in Argentina:

“Biofuels are hazardous to sustainable agriculture and food security”

Argentina is becoming one of the main exporters of soy to Europe. This soy is not only used for food, but also for fuel. European programmes to stimulate the use of cleaner energy, like mixing non-renewable petrol with biofuel, will be detrimental to sustainable agriculture and will put food security at risk, argues the Fundación Ambiente y Recursos Naturales (FARN) in Buenos Aires. Northern and Southern NGOs should coordinate their agenda’s.

The European Union has passed legislation that by 2010 member states have to replace five percent of diesel or petrol by biofuels (and ten percent in 2020) which exceeds the EU’s production capacity. The EU expects Latin American countries to become providers of this ‘fuel’, thereby putting at risk the environment and food security.

Developed countries promote the use of biofuels to meet its targets for reducing greenhouse gas emissions for climate change purposes, as well as achieving greater independence from fossil fuels. In this context southern countries should establish policies based on multidisciplinary research and taking in consideration all the variables that affect the problem.

Belén Esteves is a lawyer who is in charge of the ‘Trade and Sustainable Development’ programme of FARN. She consistently speaks of ‘agrofuel’ instead of ‘biofuel’, indicating that crops are meant for hungry stomachs and not for speedy cars. “The problem for a country like Argentina is that there is no policy or long-term planning in terms of agriculture. Today the demand is for soy, but tomorrow it can be for another kind of crop. How can agriculture ever become sustainable without long term planning? FARN makes recommendations for the Argentine government to design policies for sustainable agriculture. There should be a balance between economic growth and trade policies. In this respect we need the commitment of Northern governments, otherwise we can never be successful.”

“Environmental issues have become so internationally intertwined, that Northern and Southern NGOs have to coordinate their agenda’s on corporate accountability issues. We need to develop a common strategy to promote better adherence by multinationals to sustainability standards within their supply chains. “

Epilogue

Participants of this second CSR World Wide Week – the previous one was held in 2004 – indicated that they greatly appreciated the exchange of experiences from different parts of the world. It enhanced their understanding of CSR and all its practicalities, they shared knowledge and expertise, and once more they experienced the value of being part of a network.

The African participants have decided to launch an African CSR network, which means that soon the regional platforms in Europe (European Coalition for Corporate Justice), Latin America (Red Puentes) and South-Asia (South Asia Forum on Responsible Business) can welcome a new partner for exchange and cooperation.

The participants from North and South also identified two urgent topics on which they will combine forces. They will start cooperating to improve the corporate accountability with respect to human rights, and to find solutions to the challenges of small producers in relation to the ever mounting pressure of corporate social responsibility.

Appendix I: Participants of the CSR World Wide Week

African Institute of Corporate Citizenship (AICC) Daisy Kambalame - www.aiccafrica.org	Malawi
Advocate of Philippine Fair Trade, Inc (APFTI) Rommel Agustin - www.apfti.org.ph	The Philippines
Business & Community Development Center (BSC) Samvel Gevorgyan - www.bsc.am	Armenia
Business Watch Indonesia Veronika Ratri - www.fair-biz.org	Indonesia
CEDEM (Women Development Research Centre) Pamela Caro - www.cedem.cl	Chile
Cividep Rashmi Venkatesan - www.cividep.org	India
Facilitators for Change Bekele Mosisa - www.fce-eth.org	Ethiopia
Fundación Ambiente y Recursos Naturales (FARN) Belén Esteves - www.farn.org.ar	Argentina
Fundación Emprender Álvaro Bazán - www.emprender.org	Bolivia
Guaguazú Vincent Vroomans	Bolivia
IBASE Ciro Torres - www.ibase.br	Brazil
IUF Cuana Angula - www.iuf.org	South Africa
Kenyan Coffee Solidarity Network George Mwamodo	Kenya
Kenyan Human Rights Commission Louiza Kabiru - www.khrc.or.ke	Kenya
LARRI/Hakhiardhi Yefred Myenzi - www.hakhiardhi.org	Tanzania

MCCH Augusto Estrella - www.fundmcch.com.ec	Ecuador
Mine Labour Protection Campaign Rana Sengupta - www.minelabour.org	India
Partners in Change Viraf Mehta - www.picindia.org	India
PEERS Rodelia Albotra	The Philippines
Plades (Programa Laboral de Desarrollo) Juan Carlos Vargas Marin - www.plades.org.pe	Peru
Poder Ciudadano Federico Arenoso - www.poderciudadano.org	Argentina
Responsible Business Initiative (RBI) Ambreen Waheed - www.rbipk.org	Pakistan
South Asia Forum on Responsible Business (SAFoRB) Sudipta Bhadra	India
St. John's Medical College Bobby Joseph - www.stjohns.in	India
Social Resources Institute Li Zhiyan - www.csrglobal.cn	China
Ufadhili Mumo Kivuitu - www.ufadhilitrust.org	Kenya
Women on Farms Project Fatima Shabodien - www.wfp.org.za	South Africa

Appendix II: Programme CSR World Wide Week 2008

Date	Activity	Content
Saturday May 24	Arrival of guests	
Sunday May 25	City Walk	
	Introductory meeting with organising committee and steering group of the MVO Platform	Introduction Lunch Discuss programme and expectations
	Canal cruise with informal reception	Opportunity to meet with funding partners
Monday May 26	Meeting with members of the MVO Platform	Supply chain responsibility and transparency NGO strategies towards companies Role of the government
	Training by lokaalmondiaal	Media training by lokaalmondiaal
	Debate with students	Debate: 'Another view on CSR'
Tuesday May 27	Individual programme	SOMO: 'Corporate Accountability at the International Level and the Global Compact' Kerk in Actie: alternative energy and sustainable farming COS Nederland: Fair Trade - Human rights & business (by Aim for human rights) - Dutch Initiative for Sustainable Trade (by MVO Nederland)
Wednesday May 28	Meeting with government officials, expert panel Dutch NCP and corporate representatives	Certification The OECD Guidelines for Multinational Enterprises (with Herman Mulder, member of the Board of the NL-NCP) Meeting with Minister of Foreign Trade, Frank Heemskerk
	Departure to Brussels	
Thursday May 29	Smart regulation: Legislative opportunities for the EU to improve corporate accountability	EU conference about regulatory aspects of CSR (Brussels)
	Dinner	Informal dinner with ECCJ members
Friday May 30	Departure to Amsterdam	
	Closing meeting	Network/ alliance building
	Meeting with Dutch 'CSR Chicks & CSR Blokes'	Informal reception
Saturday May 31	Departure of guests	

Appendix III: Regional CSR Platforms

European Coalition for Corporate Justice (ECCJ)

Coordination: Ruth Casals
info@corporatejustice.org
www.corporatejustice.org

ECCJ mission statement and principles for corporate justice

See: www.corporatejustice.org/spip.php?rubrique38&lang=en

Red Puentes

Coordination: Paola Ninci (Fundación GEOS)
pninci@fundaciongeos.org
www.redpuentes.org

'Vision and proposals of the Red Puentes Network regarding Corporate Social Responsibility in Latin America'

See: www.redpuentes.org/centro-de-documentos/documentos-de-la-red-puentes/posicionamiento-civico-ingles.pdf/view

South Asia Forum on Responsible Business (SAFoRB)

Coordination (interim): Sudipta Bhadra (Partners in Change)
Sudipta.bhadra@picindia.org

'Frame of Reference for Responsible Business'

See: <http://www.picindia.org/upload/view/exearchivedisplayfilegallery.asp>

Appendix IV: Resources

Publications

- Corporate Social Responsibility: Voices from the South
MVO Platform, 2005
www.mvoplatform.nl

This publication is based on discussions, debates and interviews with participants of the CSR World Wide Week 2004. The result is a unique document that gives experts from different countries in South-America, Africa, Eastern Europe and Asia a voice on the subject of CSR and on what the effects of the current views on CSR mean in their perspective.

- CSR Frame of Reference
MVO Platform, 2007
www.mvoplatform.nl

The CSR Frame of Reference is developed by the 33 member organisations of the Dutch CSR Platform. It reflects the vision of CSR for the CSR Platform. The CSR Frame of Reference has been drafted for use by business, the government and non-profit organisations alike.

Websites

Corporate accountability & human rights

- Amnesty International
www.amnesty.org/business-and-human-rights
- Business & Human Rights Resource Centre
www.business-humanrights.org
- Human Rights Watch
www.hrw.org/corporations
- OECD Watch
www.oecdwatch.org

Small producers

- ISEAL Alliance
www.isealalliance.org