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Constructive Engagement for the Civil Society and the Private Sector, Especially for Resource Mobilization

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ABSTRACT With the onset of the global financial recession, the decline in the transfer of Overseas Development Assistance (ODA) from the industrialized nations, the slow down in the investments from foreign donors and investors, etc, the challenges of resource mobilization, particularly in the sourcing and securing of funds for the implementation of sustainable development projects and programmes, is becoming increasingly difficult and cumbersome, especially for the range of not-for-profit Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), Indigenous Peoples Organizations (IPOs), Civil Society Organizations (CSOs), etc, that are located in or working in developing countries. Under the prevailing circumstances, the roles of the profit-oriented private sector corporations are becoming much more significant and critical in their serving as alternate or co-financing sources of funding for such organizations, especially under the aegis of their individual or collective Corporate Social Responsibilities (CSR). However, based on a number of past experiences and proven episodes, it would be wise for the organizations concerned to adopt and to integrate appropriate checks, balances and indicators, to ensure that the resource mobilization relationships seeded and nurtured between the public-interest or civil-society groups and the private sector institutions are, indeed, for the purposes of satisfying their intended dictums of "constructive engagements".

(**Keywords**: Resource mobilization, private sector, checks and balances)

INTRODUCTION

Old School of Thought?

"Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible"
(Capitalism & Freedom, Milton Friedman, 1962)

New School of Thought?

"There is no conflict between social responsibility and the obligation on companies to use scarce resources efficiently and be profitable – an unprofitable business is a drain on society. The essence of the contract between society and business is that companies shall not pursue their immediate profit objectives at the expense of the longer term interests of the community."
(Corporate Governance & Chairmanship, Adrian Cadbury, 2002)

The pursuit, initiation and establishment of multi-stakeholder partnerships, including with the private sector, is often a critical component of attaining and achieving the success and sustainability of many projects the world over.

However, the soliciting and securing of socially, economically and environmentally constructive engagements between the private sector on the one hand, and the NGOs, CBOs and local communities on the other hand, is in reality much easier said than done. Notably, since most private sector corporations undoubtedly tend to leave behind various "ecological footprints", differing only in their size and depth, stemming from their respective forms and functions, and their ensuing impacts and implications.

It is against the aforesaid backdrop, that NGOs, CBOs and local communities are continuously confronted by the tricky task of finding fail-safe and reliable ways and means of identifying and distinguishing between genuinely motivated private sector corporations from their PR-riddled private sector corporate counterparts.

Hence, the urgent and pressing need for all of us to agree, adopt and apply eligibility criteria and litmus tests to discern between the two categories of private sector corporations – one to be systematically sourced, and the other to be strategically scrutinized.

Some of the better known and utilized "corporate social responsibility" (CSR) principles and procedures.

From this perspective, there already exist several well-intentioned principles and policies on the behaviour and conduct of private sector corporations, aimed at fostering and harnessing their role and responsibility in promoting sustainable development, be it at the local, national, sub-regional, regional or global level. These include the following five better known ones:

i) "The Global Compact" of the UN. [1]

The Nine Principles of "The Global Compact" of the United Nations (UN), which reiterate that a) "Businesses should support and respect the protection of internationally proclaimed human rights within their sphere, and make sure that they are not in complicit in human rights abuses"; b) "Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and eliminate discrimination in respect of employment and occupation"; and c) "Business should support a precautionary approach to environmental challenges, undertake initiatives to promote better environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies".

ii)The "Business Charter for Sustainable Development" of the ICC. [2]

The 16 Principles of "The Business Charter for Sustainable Development", of the International Chamber of Commerce (ICC), which include elements of "a) Corporate Priority, b) Integrated Management, c) Process of Improvement, d) Employee Education, e) Prior Assessment, f) Products and Services, g) Customer Advice, h) Facilities and Operations, i) Research, j) Precautionary Approach, k) Contractors and Suppliers, l) Emergency Preparedness, m) Transfer of Technology, n) Contributing to the Common Effect, o) Openness to Concerns, and p) Compliance and Reporting", the adoption of or subscription to which comprise the core components of corporations becoming members of the World Business Council for Sustainable Development.

The Chapter 30 of "Agenda 21". [3]

The Chapter 30 of "Agenda 21", entitled "Strengthening the Role of Business and Industry", which emerged from the landmark United Nations Conference on Environment and Development (UNCED), held in Rio di Janenario, Brazil, in June 1992, underscores two programme areas, viz. a) "Promoting Cleaner Production", and b) "Promoting Responsible Entrepreneurship"; as well as three objectives, viz. i) "Governments, business and industry, including transnational corporations, should aim to increase the efficiency of resource utilization, including increasing the reuse and recycling of residues, and to reduce the quantity of waste discharge per unit of economic output"; ii) "The concept of stewardship in the management and utilization of natural resources by entrepreneurs should be encouraged"; and iii) "The number of entrepreneurs engaged in enterprises that subscribe to and implement sustainable development policies should be increased". The spectrum of activities advocated for addressing the aforesaid two programme areas and three objectives include, inter alia, the following:

a. Business and industry, including transnational corporations, should work towards the development and implementation of concepts and methodologies for the internationalization of environmental costs into accounting and pricing mechanisms.

b. Business and industry, including transnational corporations, should be encouraged to report annually on their environmental records, as well as on their use of energy and natural resources; adopt and report on the implementation of codes of conduct promoting the best practices.

c. Industry should incorporate cleaner production policies in its operations and investments, taking into account its influence on suppliers and consumers.

d. Industry should encourage individual companies to undertake programmes for improved environmental awareness and responsibility at all levels to make the enterprises dedicated to the task of improving environmental performance based on internationally-accepted management practices.

e. Business and industry, including transnational corporations, should be encouraged to establish worldwide corporate policies on sustainable development, arrange for environmentally-sound technologies to be made available to affiliates owned substantially by their parent company in developing countries without extra external charges, encourage overseas affiliates to modify procedures in order to reflect local ecological conditions and share experiences with local authorities, national governments and international organizations.

iii) The CERES Principles. [4]

The vision of "The Coalition for Environmentally Responsible Economies (CERES)", underscores that "all corporate and transnational reportings on their economical, environmental and social performances, should be as routine and as comparable as that for their financial reportings. And to facilitate such holistic reportings, it had formulated the following set of ten "The Ceres Principles": i) "Protection of the Biosphere", ii) "Sustainable Use of Natural Resources", iii) "Reduction and Disposal of Wastes", iv) "Energy Conservation", v) "Risk Reduction", vi) "Safe Products and Services", vii) "Environmental Restoration"; viii) "Informing the Public"; ix) "Management Commitment", and x) "Audits and Reports".

v. The Global Reporting Initiative (GRI). [5]

Irrespective of the corporate governance ethics and norms adopted or adhered by a private sector corporation internally, much more importantly is the entity's willingness to publicly report on its, not only on its financial dimensions alone, but also on its "triple-bottom-line" (social, economical and environmental) performance dimensions, as a corner-stone of the fundamentals of community-right-to-know rights and responsibilities. One such comprehensive and consolidated manner of public reporting is the Global Reporting Initiative (GRI).

The GRI was initially convened by the Coalition for Environmentally Responsible Economies (CERES).

The GRI has developed a set of core metrics intended to be applicable to all business enterprises, sets of sector-specific metrics for specific types of enterprises and a uniform format for reporting information integral to a company's sustainability performance.

Since its inception, the GRI has become a worldwide, multi-stakeholder network which includes representatives from business, civil society, labour, investors, accountants and others. Revisions to the framework take place through an exhaustive set of committees and subcommittees, but the GRI says that its multi-stakeholder approach does ensure the credibility and trust needed to make a global framework successful.

In broad terms, the GRI Sustainability Reporting Guidelines recommend specific information related to environmental, social and economic performances. It is structured around a CEO statement, key environmental, social and economic indicators, a profile of the reporting entity, descriptions of relevant policies and management systems, stakeholder relationships, management performance, operational performance, product performance and a sustainability overview. For further information on the GRI, please visit its website at: http://www.globalreporting.org.

The key criteria of the GRI encompasses, inter alia, the following aspects and components at the level of their respective "Reporting Guidelines", and "Application Levels": i) "Indicator Protocol: Environment", ii) "Indicator Protocol: Economic", iii) "Indicator Protocol: Human Rights", iv) "Indicator Protocol: Labour Practices & Decent Work", v) "Indicator Protocol: Product Responsibility", and vi) "Indicator Protocol: Society".

RECOMMMENDATIONS

In this context, we must first and foremost realize, recognize and reiterate the following three overarching principles in our attempts to define and determine constructive engagements between us and private sector corporations, especially for resource mobilization:

a. Most private sector corporations, particularly those involved in the manufacturing and marketing of products and services, seem to be invariably characterized by some sort of socio-economic or environmental fall-outs or spin-offs or other, varying only in their subjectivity and relativity.

b. Some private sector corporations, like consumer and commercial banks, publishing houses, private foundations, insurance agencies, mass media, etc, tend to come across as being relatively environmentally friendlier, when compared to certain other corporations, like oil cartels; tobacco companies; firms engaged in logging, mining, polluting industrial processes, smelting, natural resource extraction, incineration; land-filling, motor vehicle production, toxic chemicals and hazardous wastes manufacturers and marketers; and propagators of over-consumptive and unsustainable lifestyles and technologies, etc.

c. It is therefore critical to verify that the adoption of or subscription to however lofty or well-intentioned principles and policies by private sector corporations, are indeed meaningfully internalized and corroborated by their actual implementation on the ground. More so, as only then can the true practices and performances of such private sector corporations be properly monitored for systematic auditing and evaluation of their inherent and integral socio-economic and environmental justice and credibility. Further, resource mobilization, financial donations, or any other forms of support, from private sector corporations should not be linked to any strings or conditions attached to them (e.g. dos or don'ts, endorsements, restrictions, etc), in favor of the private sector corporation concerned per se, as they are bound to impinge or compromise our own mission and mandate, be it potentially, really or in perception, to be enhancing environmentally sound and sustainable development and livelihoods.

Based on the aforesaid three overarching principles, it would be logical and practical for us to earmark that any of our constructive engagements with private sector corporations, particularly for resource mobilization, be reinforced by, inter alia, the following approaches:

1. Welcoming the role of responsible private sector corporations as legitimate partners and stakeholders in our activities and aspirations to forge and foster "win-win-win" symbiotic scenarios in addressing the relevant social, economical and environmental considerations and challenges by implementing and mainstreaming sustainable development and livelihoods among local communities through the mutually beneficial interventions of NGOs and CBOs. However, our relationships and constructive engagements with private sector corporations, especially for resource mobilization, must be eventually determined and dictated on a case-by-case basis, depending on the multitude of local, national or international factors and forces at play.

2. Exercising and exerting prudent care and caution, including in adhering to the precautionary principle, to ensure that our joining hands and nurturing constructive engagements with private sector corporations will not in any way, be it explicitly or implicitly, jeopardize or undermine our own mission and mandate of propelling sustainable development and livelihoods among local communities, both in the short-term or long-term.

3. Refraining from seeking, soliciting or securing resource mobilization or any other forms of support or constructive engagement with private sector corporations whose socio-economic or environmental profiles and scorecards are not at all consistent or compatible with our own policies, principles, practices, priorities and programmes.

4. Providing credence to the proviso that all our operations would steadfastly remain sincere, honest, transparent, accountable and participatory, besides them being readily open to public review and accountability, and hence we should also be expecting the same from any private sector corporations with which we enter into constructive engagements, even for resource mobilization.

5. Ensuring that the private sector corporations with whom we opt to partner or to forge constructive engagements, will not conduct bad businesses, will not behave unethically, and will not be a party to any socio-economic or environmental malpractices, which would in turn be in conflict with our own objectives, activities and expected outputs. Likewise also checking that, irrespective of any proclaimed or publicized sustainable development policies and principles on the part of the private sector corporations, they too, like us, must be sharing our own convictions and commitments towards the notion that in complying with the obligations of one multilateral environmental agreement (MEA), we should be impinging or compromising on the requirements of another MEA. In this context,

we should always reserve the right to disengage ourselves and to nullify constructive engagements that we may have entered into, in good faith, with any private sector corporation, if we subsequently discover that the private sector corporation has been taking undue advantage of or abusing its constructive engagement with us. Additionally, we will also have to contend with the "double standard stigma", especially for private sector transnational corporations (TNCs), which could be adopting different codes of conduct and different patterns of behaviour for their own affiliates or subsidiaries located elsewhere in the world.

CONCLUSION

In our challenging efforts and endeavours to stimulate and solidify constructive engagements with private sector corporations, be it for resource mobilization, technical assistance and/or any other type of in cash or in kind contribution, we should also be consistently striving to change the prevailing status quo, viz. in making real differences and real changes in terms of awareness, attitude and action on the part of private sector corporations, so that they too, aptly referred to as the "engines of growth, wealth and employment", can be transformed into becoming pivotal movers and shakers for socially just, economically equitable and environmentally sound sustainable development and livelihoods for peoples from all sectors of society.

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