

Quo vadis Corporate Social Responsibility?

(New trends of CSR)

by Ramon Mullerat, OBE¹

*We have to choose between
a global market driven only by calculations of short-term profit,
and one, which has a human face
Kofi Annan, UN Secretary General*

I. Corporate Social Responsibility

According to an Indian fable, a group of seven blind mice watched an elephant. Someone asked the first blind mouse: “What does an elephant look like?” “Like a pillar” said the one who had been grabbing the elephant by one of its legs”; “like a snake” said the one who had taken the tail; “like a fan”, the one who had touched the ear; “like a hose”, the one who had grabbed the trunk; and so on and so forth.

With CSR something similar happened up to recently. CSR was like a polyhedral figure. Each one of us looking at or prioritizing different planes or faces according to our particular background and optics: an economic theory, a legal rule, an ethical aspiration, a market tool, a management risk instrument, and so on and so forth². And probably CSR is a little of these at the same time.

As Rhys Jenkins³ noted, while the current wave of interest in CSR dates from the early 1990s, CSR is only a new manifestation of “a longstanding debate over the relationship between business and

¹ Ramon Mullerat OBE is a lawyer in Barcelona and Madrid, Spain; Avocat à la Cour de Paris, France; Honorary Member of the Bar of England and Wales; Honorary Member of the Law Society of England and Wales; Former professor at the Faculty of Law of the Barcelona University, Spain; Adjunct Professor at the John Marshall Law School, Chicago; Former member of the European Board of the Emory University, Atlanta; Former President of the Council of the Bars and Law Societies of the European Union (CCBE); Member of the American Law Institute (ALI); Member of the American Bar Foundation (ABF); Member of the Council of the Section of International Law (SIL) of the American Bar Association (ABA); Former Co-chairman of the Human Rights Institute (HRI) of the International Bar Association (IBA); Member of the Observatory of Justice of Catalonia; Member of the London Court of International Arbitration (LCIA); Member of the Board of the Institute for North-American Studies; President of the Association for the Promotion of Arbitration (AFA); Chairman of the International Senior Lawyers Project Europe (E-ISLP); Former Chairman of the Editorial Board of the European Lawyer; Member of the Editorial Board of the Iberian Lawyer; KPMG Abogados

² Corporate Social Responsibility, A (UK) government update, May 2004: “Although debate about CSR has continued to grow, we remain a long way from consensus on what it means and its value. Some suggest that it is just about glossy reports and public relations. Some see it as a source of business opportunity and improved competitiveness. Some see it as no more than sound business practice. Others see it as a distraction or human rights eat. Is it a framework for across the board regulative of all of the relationships between the business and the rest of society, nationally and globally? Is it just about the activities of North American and European multinationals in developing countries? Is it relevant and useful to companies of all sizes no matter where they are based and operate? Lively debate will continue ...”.

³ Rhys Jenkins, “Globalization, CSR and poverty”, International Affairs, 81, 3, 2005, p. 526.

society”. Since the rise of the corporation in the late 19th century, this debate has continued through periods ‘when the power of corporations is in the ascendancy and periods in which society attempts to regulate the growth of corporate power’. In these periods when corporations have become subject to public criticism and attempts to regulation, they have attended to re-establish their legitimacy by adopting CSR style strategies.

At this moment in time, with the decline of the concept of nation-states emanating from the Treaty of Westphalia 1684⁴, corporations are dominating the world in general, with greater power and influence than many states^{5 6}. The French historian Jacques Attali⁷ said that the history of humanity is the succession of three great political orders: the Ritual Order, where the authority was essentially religious; the Imperial Order where power was predominantly military; and the Commercial Order where the dominant group is the one that controls the economy: the corporation. However, the increase in corporate power under the auspices of the global implementation of a neo-liberal policy agenda is controversial. After the fall of communism, an expansion of neo-liberal capitalism and globalisation took place. Yet, the promise of more freedom, prosperity and welfare is by now widely perceived to have failed the majority of the citizens of the newly globalized world. Through CSR, corporations aim at remedying this situation of inequality.

As Reto Rinnger⁸ predicted, it is no longer possible to measure corporate governance solely in terms of financial success and consumer satisfaction. Instead, the successful firm has to pay more attention to the demands of society at large and to the environment. Growing demand for ecologically, socially and ethically sound products and services is forcing companies to target their activities, as well as products and services, accordingly. This is undoubtedly the new reality of corporate governance that companies must address.

⁴ Ramon Mullerat, “Private law-making and the decline of the monopoly of the state as law-maker”, Zagreb, 18 March 2011.

⁵ See among other Joel Bakan, The Corporation, 2004, “Over the last 150 years the corporation has raised from relative obscurity to become the world’s dominant economic institution. Today corporations govern our lives. They determine what we eat, what we watch, what we wear, where we work, and what we do. We are inescapably surrounded by their culture, iconography, and ideology. And, like the church and the monarchy in other times, they posture as infallible and omnipotent, glorifying themselves in imposing buildings and elaborate displays. Increasingly, corporations dictate the decisions of their supposed overseers in government and control domains of society once firmly embedded within the public sphere”.

⁶ Sarah Anderson and John Cavanagh of the Institute for Public Studies published in 1996 a seminal study called “Top 200. The Rise of Corporate Global Power”. They found, among other things, that: 1. Of the 100 largest economies in the world, 51 are corporations; only 49 are countries (based on a comparison of corporate sales and country GDPs); 2. The Top 200 corporations’ sales are growing at a faster rate than overall global economic activity. Between 1983 and 1999, their combined sales grew from the equivalent of 25.0 % to 27.5 % of world GDP; 3. The Top 200 corporations’ combined sales are bigger than the combined economies of all countries minus the biggest 10; 4. The Top 200s’ combined sales are 18 times the size of the combined annual income of the 1.2 billion people (24 % of the total world population) living in “severe” poverty; 5. While the sales of the Top 200 are the equivalent of 27.5 % of world economic activity, they employ only 0.78 % of the world’s workforce; 6. Between 1983 and 1999, the profits of the Top 200 firms grew 362.4 %, while the number of people they employ grew by only 14.4 %.

⁷ Jacques Attali, Une brève histoire de l’avenir, 2006, p. 26.

⁸ Reto Rinnger, “Sustainability and socially responsible investments”, Sustainable business investor -Europe, Spring 2000.

II. Definition

But what is CSR? Gradually, CSR is ceasing to be that vague, imprecise and misty concept that has been for so long⁹.

We could define CSR, as Jonathan Swift did when he defined a “deacon” as “one who performs diaconical functions”, as the social obligation that corporations have towards society. But this would be a definition of little use. Unfortunately, there are too many definitions, which suit all the different viewpoints. This lack of a generally accepted definition is an obstacle for a steadier progress of the CSR doctrine.

However, it is clear that CSR is an entrepreneurial persuasion and activity, which, in addition to making profits, seeks to directly promote the interests of the stakeholders including the community, thus showing that corporations have a soul and wish to act as good citizens. According to the ICC¹⁰, CSR is “a voluntary commitment by business to manage its role in society in a responsible way” and the EU Commission¹¹ defines it as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”¹².

III. New trends

In my view, CSR is evolving through the following ten trends:

First. A movement in expansion

CSR is one of the most important economic and social movements of our time. There are no longer only a few companies converted to this creed, but the majority of large enterprises have already introduced it in their agenda. Already in 2005, Philip Kotler and Nancy Lee¹³ indicated that charitable giving rose from \$9.6 b. in 1999 to \$12, 19 b. in 2002 and that some 90% of Fortune 500 companies had adopted CSR programmes.

Still some commentators sustain that CSR is an oxymoron since the company is by its nature compelled to maximize its own interest whatever its external price, pursuant to Milton Friedman’s famous proposition that “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits”¹⁴. They maintain that the corporation has no social responsibility and is only responsible for obeying the applicable laws, and that its officers

⁹ Ramon Mullerat, “The still vague and imprecise notion of corporate social responsibility”, International Business Lawyer, October 2004.

¹⁰ ICC, A business vision for the 21st century, 11 January 2002.

¹¹ EU Commission, Green Paper. Promoting a European framework for CSR, COM (2001) 366 final, 18.7.2001, 20 and EU Commission, Communication, 22 March 2006.

¹² Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility, Com (2006) final, 22 March 2006.

¹³ Philip Kotler and Nancy Lee, Corporate Social Responsibility, Wiley, 2005.

¹⁴ Milton Friedman, “Capitalism and Freedom”, the New York Times Magazine, 13 September 1970.

only have a responsibility to their shareholders to produce results in terms of growth, sales, and profit (“the business of business is business”)¹⁵. A famous survey by The Economist¹⁶ maintained in 2005 that CSR was eroding the basis of the free enterprise system.

However, there is an increasing interest in the CSR movement by governments, business and civil society including the community in general. Just type CSR in Google and you will find 40.300.000 entries.

There is a growing conviction that there is not a conflict but a positive correlation between CSR and profitability and that profit can go hand-in-hand with social and environmental responsibility¹⁷. In 2004, the universities of Redlands and Iowa looked at 52 studies — covering 34,000 companies worldwide¹⁸. They found that well-run, profitable businesses also boasted strong social and environmental records, and vice-versa. Overwhelmingly, firms that rewarded employees with good work climates and higher pay and benefits ultimately saw stronger sales and stock prices, plus less employee turnover.

CSR is not just another passing trend, but is the direction, which all 21st century businesses need to take in order to survive in an age of globalisation and human rights order. Therefore, the slogan that “the business of business is business” should be replaced by “the business of business is socially responsible business”.

Second. A movement encompassing more concerns

Since the concept “triple bottom line” (people, planet and profit) was coined in 1994 by John Elkington¹⁹, an accelerating progression from early concerns about safety, health and environment to a growing range of social preoccupations can be seen, among them diversity, human rights, and the concern of the gap between the haves and the have nots.

Social awareness by businesses is constantly broadening. Most corporations’ activities are now already impregnated with the new economic philosophy. More recently other concerns like fair trade pricing and fair wages as well as socially investing have been incorporated in the CSR movement and have made headlines²⁰.

Today, CSR is relevant for all stakeholders including policy-makers, investors, consumers and trade-unions.

¹⁵ CFO Magazine “Another take on CSR”, January 2007.

¹⁶ The Economist, “The good company – a survey of corporate social responsibility”, 22 January 2005.

¹⁷ According to global surveys by PwC, nearly 70% of CEOs of companies believe that sustainability is vital for their profitability and 2/3 say it remains a high priority. Financial Times, 26 October 2006.

¹⁸ USA Today, 6 March 2007.

¹⁹ John Elkington, Cannibals with forks: The triple bottom line of 21st century business, 1998.

²⁰ John Elkington and Mark Lee, “It’s Economics, Stupid”, Grist, Environmental News and Commentary, 9 May 2006.

Third. Publication and accountability

Only a few years ago, the words "corporate social responsibility" turned up around 50 company reports on an Internet search engine. Today, thousands of companies display their newly developed ethical codes and socially responsible projects at the click of a mouse²¹.

Greater transparency is a means to improve accountability and trust. Increasingly socially responsible enterprises publish their CSR activities, either in their financial annual reports or in CSR specific reports. According to a survey of KPMG in 2008²², 80% of the corporations worldwide (Global Fortune) issued environmental, social or sustainability reports compared with 50% in their 2005 survey.

Some countries, like France²³, already require CSR reporting and have made it obligatory for listed companies to add labour, environmental and social information within their yearly report to shareholders. Some others, such as the UK Occupational Pension Schemes Investment Regulations 1996 require pension schemes to state their policy regarding the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realization of investments.

The trend is that transparency will make more reporting available for public consumption.

Fourth. Beyond philanthropy

For many years the corporation's soul manifested itself almost exclusively in philanthropic attitudes consisting in signing a check at the end of the successful financial year. Contrarily, CSR is not a form of charity or philanthropy. CSR enters into the normal activities of the corporation from day one of the exercise and before declaring its profits, becoming a year-round responsibility. It is a shift to making long-term commitments to social issues providing more than cash contributions.

CSR goes beyond simple philanthropy and is more about corporate behaviour than it is about a company's charitable donation budget. CSR is becoming as much as anything a way of thinking about and doing business.

As William C. Ford, Ford Motor Company CEO, noted, "there is a difference between a good company and a great company. A good company offers excellent products and services. A great company also offers excellent products and services but also thrives to make the world a better place". Companies seek to be successful (doing well) but at the same time and through achieving moral and environmental objectives (doing good). From the previous philosophy of "doing good to look good", the trend today is "doing well and doing good" or rather "doing well by doing good"²⁴.

²¹ Nir Deva DL MEP, Corporate Social Responsibility. Working For A Better World. According to KPMG International Survey on Corporate Reporting 2008, chapters 5, 92 % of G250 companies disclose a corporate governance code of conduct or ethics, although only 59 % report on incidents of non-compliance with the code.

²² KPMG International Survey on Corporate Reporting 2008, chapter 3.

²³ French Act of 15 May 2001, on New Economic Regulations.

²⁴ Richard Newhouse, Doing well/doing good. Colin Harris, "Doing well by doing good", 2004. Corporate Citizenship in American business 2005", Summer, 2005.

In a speech in 2003, Gordon Brown, the UK prime minister²⁵, reminded the audience that “as socially responsible business behaviour has come to mean not just charity philanthropy but also greater transparency, environmental care, direct engagement in community involvement –I believe it is true to say that in this redefinition of CSR –as it has moved from the margins of the mainstream, from the arena of charity to the arena of corporate strategy, the emphasis is no longer just on external giving but now internal business processes, they focus less on how companies give money away to focussing on how companies make money”, and he added “and so there is a growing recognition that CSR does not just relate to your own competitiveness as a business but defines it; that social responsibility is not an optional extra but a necessity –not a part of business of a company but at its heart, not a side show but a centre piece, not incidental but integral to what you do”.

There is also a convergence between corporate governance (CG) and CSR, since CG is every time more about values and ethics than rules, while CSR is also an operational risk issue. Notions like Corporate Responsibility, Corporate Accountability and Good Citizenship embrace both concepts.

Fifth. Commitment of all

It is no longer the owner, the CEO or the board of directors who decide to write the check at the end of a profitable fiscal exercise, CSR is the collective commitment of all levels and all constituents of the corporation, from the CEO until the last employee. Let us not forget that the employees’ and stakeholders’ satisfaction is one of the aims of CSR. There is an increasing awareness of CSR among the entire workforce and other stakeholders.

CSR requires that a responsible company take into full account its impact on all the employees, the environment and other stakeholders when making decisions. This requires the company to balance the needs of all stakeholders with its need to make a profit and reward shareholders adequately.

It has been said that if CSR is just a pet of the CEO, it does not work. If there is no response from the employees, it is not anchored.

Sixth. Relation with core products and services

Social activity used to be often dissociated from the corporation’s activities and focused on the most varied and changing objectives. The trend today is that the corporation’s CSR activities are often related to the core business of the corporation, its products or services (for instance, when an electronic corporation decides to train the students of a school on the use of computers or when a coffee manufacturing company sets up fair prices programmes for the farmers, etc.).

This CSR relationship with the business central goals is crucial to maintaining the company's success and sustaining it for the future.

²⁵ Gordon Brown, “Finding common ground on the ground”, speech given at the Financing Sustainable Development, Poverty reduction and the Private sector, London, 22 January 2003.

Seventh. Government and business partnership

It is clear today that CSR's success requires the cooperation of the government (local and/or national) and business in a strong symbiotic relationship. Governments, NGOs, charities and others in civil society recognize the positive contribution that business can make in a global context and are increasingly willing to forge partnerships with businesses to find solutions to shared problems.

CSR needs to be understood as part and parcel of a wide system of national societal governance incorporating government institutions, business organizations, the academy and NGOs²⁶.

This is particularly clear in developing countries. As the World Summit on Sustainable Development (Johannesburg 2000) recognized, partnership between business, government and civil society is the key to the progress needed on sustainable development²⁷.

Eighth. Sectoral projects

Many companies do not want to work alone, and they believe that there is strength in numbers. In addition to individual corporations' actions, sectoral projects on CSR are materializing in the food industry, the apparel industry, the financial industry, the mining industry, the energy industry and many others. For example, the Multi-fibre Arrangement Forum or the Equator Principles, where a group of large financial institutions decided to impose conditions, particularly environmental conditions on their clients' projects. Many other sectors are involved in CSR, like the pharmaceutical industry²⁸, the IT industry²⁹ and many others. Even the tobacco industry has engaged in CSR programs³⁰.

One of the sectors that have adopted CSR with great zeal, for example, is the oil and mineral extracting industries. While mining companies have contributed towards improving social development, through providing jobs, building an industrial base, enhancing efficiency and transferring technology, they have also been linked publicly to interference in sovereign affairs, deepening disparities in wealth, poor labour conditions, corruption, pollution incidents, health and safety filings and the disrespect of human rights³¹. The Extractive Industries Transparency Initiative (EITI), launched by Tony Blair at the World Summit on Sustainable Development in Johannesburg in 2002, with its slogan "publish what you pay", needs to be mentioned here.

²⁶ Jeremy Moon, "Government as a driver of CSR", *International Centre for CSR*, no. 20, 2004.

²⁷ See Douglas Alexander, "CSR: Future Challenges", 21 March 2002. See also, "A big deal. CSR and the finance sector in Europe".

²⁸ Oxfam, *Beyond Philanthropy: The pharmaceutical industry, CSR and the developing world*, 2002.

²⁹ Paul Foley and Charnaka Jayawardhena, "Corporate social responsibility and the IT industry", October 2001.

³⁰ Norbert Hirschhorn, "CSR and the tobacco industry: hope or hype?" 15 July 2004. C. Callard, D. Thompson, and N. Collihaw, "Transforming the tobacco market: why the supply of cigarettes should be transferred from for-profit corporations to non-profit enterprises with a public health mandate", *Tobacco control*, 1 August 2005, 14 (4), pp. 278-283. M. Chalton, R. Ferrence, and E. LeGresley, "Perceptions of industry responsibility and tobacco control policy by US

tobacco company executives in industrial testimony", *Tobacco control*, 1 December 2006, 15 (suppl. 4), pp. 98-106.

³¹ Alyson Warhurst, "CSR and the mining industry. Presentation to Euromines", University of Bath School of Management.

Ninth. Voluntary or mandatory cooperation

Up to now CSR has been based on voluntary initiatives (voluntary to adopt and voluntary to comply with).

There is an intense debate whether CSR should remain voluntary or should become compulsory. Many believe, for example, that the limitation of CO₂ in the atmosphere emissions will never stop voluntarily unless it becomes a legal duty for corporations. An ignition factor for this debate was the project of the UN to adopt Norms on the Responsibility of Transnational Corporations and other Business Enterprises with regard to Human Rights (the “Norms”), which came before the UN Commission on Human Rights in 2004, submitted by the Sub-Commission on the Promotion and Protection of Human Rights.

The Preamble recalled the principles of the UNDHR and underline that TNCs are obliged to respect such principles. It produced General Obligations and Rules urging that every effort be made so that they become generally known and respected, such as general obligations and the rights to equal opportunities; non-discriminatory treatment; the right to security of persons; workers’ rights; the right to respect for national sovereignty and human rights; obligations regarding consumer and environmental protection and general provisions relating to implementation.

Although the Norms recognised that states have the primary responsibility with regard to human rights, they set forth for the first time the TNCs’ ‘obligation to promote, secure the fulfilment of, respect, ensure respect, and protect human rights’ within their ‘spheres of activity and influence’.

The Norms also represented a re-statement of existing international human rights law; humanitarian law; international labour law; environmental law; anti-corruption law; and consumer protection law that already applied to the activities of corporations³².

Unlike previous initiatives, which are voluntary, the Norms proposed mechanisms of implementation (TNCs should incorporate the Norms in their internal rules and contracts), control (TNCs should be periodically monitored by the UN), and, above all, enforcement (domestic and international tribunals should apply the Norms when determining damages and adequate reparations, as well as criminal sanctions). This proposal amounted to an important shift from the current ‘soft law’ non-binding guidelines to ‘hard law’ mandatory enforceable rules.

The world community became divided resulting in antithetical positions. In general, NGOs (such as Amnesty International, the Ethical Globalisation Initiative and the Prince of Wales Business Leaders Forum) favoured the Norms. They maintained that the thrust of the Norms was to encourage the development of a stable environment for investment and business regulated by the rule of law, in which contracts are honoured, corruption is reduced, and where business enterprises have defined rights and responsibilities; that the Norms did not seek to impose inappropriate responsibilities on businesses, since companies only have responsibilities ‘within their spheres of activity and influence’; and that companies that are scrupulous have to compete with companies that do not uphold the same values, so the Norms would help create a level playing field for business.

On the other hand, business organisations in general were opposed to the Norms. For example, the ICC and the International Organisation of Employers³³ maintained that the state is the duty-bearer of human

³² J. Putmann & A. Seidler, ‘The Human Rights Responsibilities of TNCs: Why TNCs Should Care’, Center of Corporate Responsibility and Sustainability, University of Zurich, Nov. 2003.

rights obligations, not private persons; that the sub-commission had misrepresented human rights law, and violated the principles of transparency and accountability; that, due to their vagueness, the Norms might result in violations of the rights of private business persons; and that the Norms reflected a negative attitude towards business. They considered also that the Norms would undermine human rights, the business sector of society, and the right to development³⁴.

The UN Commission for Human Rights appointed a Special Representative, Professor John Ruggie, to clarify some concepts on CSR and accountability for TNCs to develop training materials and to compile a compendium of 'best practices' by both states and business with regard to human rights³⁵.

Ruggie submitted three reports. In the first report (2006) he introduced the major challenges that making corporations accountable for violations of human rights encountered. In the second (2007), he highlighted a number of inadequacies in the relationship between human rights and business. In the third report (2008), Ruggie stated that the 'international community is still in the early stages of adopting the human rights regime to promote more effective protection of individuals and communities against corporate-related human rights harms'. He emphasised the need to adopt a new policy of 'protect, respect, and remedy': (i) the state duty to protect against human rights abuses by third parties, including business; (ii) the corporate responsibility to respect human rights; and (iii) and effective access to remedies for victims of human rights abuses.

In May 2008, Action Aid, Amnesty International and other prestigious international organisations urged the Council to broaden the focus beyond the elaboration of the 'protect, respect, and remedy' framework and to include an explicit capacity to examine situations of corporate abuses^{36 37}.

Tenth. Corporate social responsibility and corporate accountability

As it has been noted³⁸, a key divide has emerged around CSR between those who regard corporate power as a problem and those who either accept it or consider it as an opportunity if engaged appropriately. The latter are said to be involved in CSR and the former involved in seeking 'corporate accountability' (CA).

³³ International Chamber of Commerce and International Organization of Employers, 'Joint Views of the IOE and the ICC on the Draft Norms on the Responsibilities of TNCs and Other Business Enterprises with Regard to Human Rights', April 2004.

³⁴ In December 2005, Peter Sutherland summarized BP's views as follows: "BP did not support the Norms for a number of reasons – we were concerned about the tone of the document, which we felt ignored the potential beneficial effects that businesses have per se on the realization of international standards. We also felt that business cannot and should not be accountable for what is the role of government. And finally, the proposed monitoring and verification process was vaguely defined and impractical in our view".

³⁵ Commission on HR, 61st session, agenda item 17.

³⁶ They added that a more in-depth analysis of specific cases is needed in order to give greater voice to those whose rights are negatively affected by business activity and deepen understanding of the drivers of corporate human rights abuses. They denounced that the mandate of the SRSG had placed relatively little emphasis on the means of holding companies accountable since for victims of human rights violations, justice and accountability can be as important as remedial measures

³⁷ Further information at www.un.org.

³⁸ Jem Bendell, "Barricades and boardrooms. A contemporary history of the corporate accountability movement". UNSRID Technology, Business and Society Programme Paper, num. 13.

Peter Utting³⁹ identified four aspects of the CA movement that make it quite different from the CSR movement: a) rather than saying companies should assume responsibility for their actions, CA proposals stress that companies must be held to account; b) rather than trying to monitor, audit or report on the vast activities of giant global corporations, CA proposals also place considerable emphasis on complaints procedures that focus on specific abuses of corporate power or instances of malpractice; c) rather than seeing corporate self-regulation and voluntary approaches as an alternative to governmental and international regulation, the CA movement is calling for a new mix of voluntary and legal approaches; and d) the CA movement is also saying that if CSR is to really work for development, then it is not enough for companies to improve selected aspects of working conditions, and community relations. Corporate responsibility cannot be separated from structural and micro-economic issues, such as perverse patterns of economic liberalization and de-regulation, corporate power, lobbying for certain macro-economic policies, and fiscal and pricing practices.

A UK campaign on CA was launched by the CORE Coalition and the Trade Justice Movement in April 2006⁴⁰ which represents charities and campaigning organizations (like Amnesty International UK, Friends of the Earth, church, community and union organizations) and the Trade Justice Movement representing 75 activist organizations (like Oxfam, Greenpeace, the National Union of Students and the TUC), with a combined membership of 9 million people. The focus of the campaign is to generate public awareness in support of proposed changes to corporate law through the Labour government's proposed amendments to the UK Company Law reform Bill. The campaign's aim was to ensure that the new laws "hold company directors to account for the impact of their activities on communities, workers and the environment in Britain and overseas". As part of the campaign, the Coalition commissioned a public opinion poll on attitudes to CSR. The poll revealed that 90% of voters agreed that the government should enact enforceable rules to ensure that corporations are 'socially responsible' and 89% thought that TNCs should be legally obliged to publish reports on a range of CSR issues –including how they treat their workers and the impact of their activities on local communities. More than 100.000 supporters of the campaign wrote to their MP in support of these principles.

V. CSR and lawyers

I would like to enhance the importance of the role of the legal profession in CSR. As a service for the public good and a part of the "the higher calling of the profession", lawyers have the obligation of lawyers to become involved in the overriding concerns of society.

The lawyer's involvement in CSR is twofold. CSR imposes two types of duties to lawyers: one centrifugal and another centripetal. On the one hand, the lawyer has the obligation to advise his clients not only on legal matters but also on ethical matters (that is why, for example, corporate lawyers are often called the "ethicists" of a company) including CSR. On the other hand the lawyer has a centripetal duty acting in a direction toward his own firm to introduce CSR practices such as diversity

³⁹ Peter Utting, "CSR and development: Is a new agenda needed? Summaries of presentation made at the UNRISD Conference on CSR and Development: Towards a new agenda?", Geneva, UN Research Institute for Social Development (UNRISD), 2003, cited by Ray Broomhill, "CSR: Key issues and debates", Dunstan Paper, No.1/2007.

⁴⁰ Broomhill, Ray, "CSR: Key issues and debates", Dunstan Paper, No.1/2007, p.31.

(within the lawyers and the staff), environment respect (such as saving electricity, recycling paper, etc.) and others making it a good citizen.

CSR is here to stay and perfectly complements the modern corporate governance doctrine. Lawyers, as advisors of legal and also ethical rules of human behaviour, must cooperate with their clients for them to understand and introduce CSR in their activities.

All enterprises are conscious today of their power and influence and therefore of their responsibility to make the world better. Lawyers must be at the forefront of this crusade.

* * *

VI. A story

Let me finish with a story, which I read some time ago:

The Earth Summit in Rio de Janeiro in 1992 invited Severn Suzuki, a 12-year old who started the Environment Children Organization in 1989, to address a solemn plenary session, which was full of high-ranking and powerful businessmen. She said to them: “you teach us how to behave in the world. You teach us not to fight with others; to work things out; to respect others; to clean up our mess; not to hurt other creatures; to share and not to be greedy. Then why do you go out and do the things you tell us not to do?”