

**Literature Review of Corporate Accountability
Frameworks:
TOWARDS A SOCIAL OBSERVATORY OF MNC'S IN AFRICA**

**For the Naledi Research Project:
Social Observatory on Multinational Corporations in Africa**

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1. Introduction

The need for a social observatory on Multinational Corporations (MNC's) in Africa is raised in the Naledi project proposal. In short the motivation is that MNC's, while being the drivers of globalisation, have not been held accountable for their actions mainly because there is very little social control over them. This is especially the case in Africa with weak government regulatory frameworks and the sparse capacity of African trade unions to monitor and gather information on MNC's. Weak links among trade unions in various countries compounds this problem.

Internationally there has been a growth of organisations monitoring MNC's using certain established labour codes as a basis for this monitoring. This review attempts obtaining from existing literature the character of these organisations, what codes and monitoring mechanisms are used and the ability and obstacles to enforce and ensure compliance by MNC's of these codes. In addition a brief examination of pollution control and MNC's is included, to illustrate the similarity between these two issues.

An important question has emerged through the international experience with developing labour codes – is it a workers tool or a PR ploy? (Wick 2003) The literature on this question is not reviewed extensively here and will hopefully be taken up in the future so that together with the experiences in Africa a contribution to the broader debate on approaches to establishing frameworks and mechanisms for corporate accountability can be made. Suffice to say that the purpose of establishing a social observatory on MNC's in Africa is to build the capacity of trade unions to organise and campaign against violations of workers' rights by MNC's.

It is important to raise some peculiarities of the African context that will impact on the focus of a social observatory here and how it should view its work. A brief overview of research on labour, environmental standards and corporate social responsibility is provided to highlight the issues raised by this research. This is accompanied by a brief overview of recent civil society campaigns, both internationally and in Africa.

2. MNC's in Africa

Multinationals have been operating in Africa long before the wave of independence swept through Africa in the 1960s. While independence severed direct control by

European powers over African countries, existing political and economic structures remained largely intact. This was important for maintaining the process of accumulation and securing the interests of multinational companies in Africa. They played this role either through direct ownership, licensing agreements with governments or by being the sole buyer of particular primary goods produced in Africa.¹

The growth of FDI and the number of MNC's is one of the characteristics of globalisation. However Africa's share of the total FDI inflows has not increased during the 1990s, despite the numerous measures adopted to encourage these flows. Africa had a 2.3% share in 2001 which is only slightly higher than the 2% share received in the early 1990s. The number of MNC's operating in Africa is also very low compared to other developing countries. Privatisation is one of the major sources of FDI inflows to Africa and it remains debatable whether this is really the best way of attaining FDI.² There are, in addition, concerns that privatisation has resulted not only in job losses but also in the declining ability of people to access services. As the state loses control over public companies, its ability to deliver services and create jobs is greatly reduced.

South African MNC's have established themselves during the 1990s as big players on the continent, especially in the mining, energy, telecommunications, retail, media, information technology, transport, construction, and banking sectors. South Africa is now the largest FD investor in Africa with an annual average of \$1.4 billion since 1991³. This has raised questions about the role of South Africa in Africa. South African capital appears to follow the common international pattern of lower wages and labour standards in foreign operations⁴.

Given Africa's poverty statistics it can be expected that unemployment is extremely high and wages very low in Africa. According to the ILO, only "twelve Sub-Saharan African economies calculate unemployment rates, with many in the high double digits".⁵ The ILO notes, furthermore, "that real wage information for sub-Saharan Africa shows a general downward trend".⁶ Africa also has a high percentage of its labour force located in the agricultural sector (over 60%) which is a low paying sector with conditions of employment often much worse than in other sectors.

The objective of the social observatory is, therefore, to empirically verify what rights workers have and whether these rights can be used by workers to further their interests. The next section reviews literature on research of labour standards and the issues this literature touches on and shows how research linked to codes of conduct can develop into successful campaigns.

3. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is where companies actively seek to fulfill civic and social responsibilities and conduct their operations in ethical and environmentally sustainable fashion. It is seldom initiated by the company concerned and is usually driven by civil society and underpinned by public pressure. Over 75% of those polled in surveys in the US and Canada in 2002 expected corporations to pursue civil and

¹ See Davidson. (1992: 162-242), Mafeje (1992: 30-41)

² Ilrig (1999)

³ Naidu & Lutchman (2003)

⁴ Miller (2002)

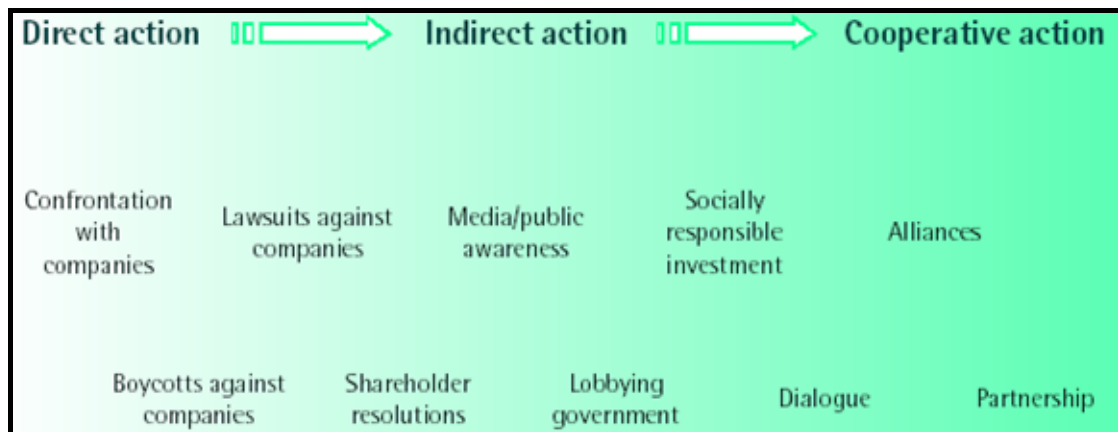
⁵ ILO – <http://www.ilo.org/public/english/employment/strat/kilm/kilm08.htm>

⁶ ILO – <http://www.ilo.org/public/english/employment/strat/kilm/kilm15.htm>

social responsibilities.⁷ However, even with the spread of CSR awareness amongst corporations, activists argue that it is unlikely that the majority of corporations will act responsibly, and so regulation by governments and international institutions can ensure social responsibility. CSR change is often driven by civil society pressure through various NGO's, sometimes working with the corporation to design monitoring systems and CSR priorities, but often working from the outside to actively pressurize the corporation into adopting CSR. As institutions that work on a profit motive, social responsibility is not inherent to a company's motivations.

A representation of how civil society organizations promote CSR activities is shown below. The tactics are those often used in structured campaigns against specific corporations or economic sectors (e.g. apparel sector). Examples of recent campaigns are given later in this review.

Figure 1: How civil society promotes CSR



Source: Oliviero and Simmons, 2002

Investor action can also lead to change. Socially responsible investing, as encouraged by investor pressure groups, can influence company behaviour. Pension funds and institutional investors can wield significant power over boardroom decisions. In recent years socially responsible indexes have sprung up in the UK and US to cater for those investors who want a guaranteed ethical investment⁸. The performance of these indexes has often been above the rest of the stock market. Investors either screen out 'bad' companies or actively locate 'good' ones⁹. The move to ethical investment has continued growing, with a Europe-wide structure for ethical investment, European Sustainable and Responsible Investment Forum (Eurosif) was launched in 2001. The campaign against investment in South Africa during Apartheid is a good example of the pressure that can be brought to bear and the results that can be achieved.

Partnerships are also formed between CSO's and corporations to advance social responsibility. Although seen as limited by some activists due to the inclusion of industry, the partnerships allow the CSO's to combine their independent monitoring and publicising ability with the industry association's relationships with corporations.

⁷ Oliviero and Simmons (2002)

⁸ The amount invested has risen in the US from \$40bn in 1985 to \$2.2 trillion in 2000 (Social Investment Forum). The UK value is 430bn Pounds under pension funds that use social responsibility.

⁹ Dow Sustainability Group Index, FTSE4 Good Index, Domini 400 fund

This allows for more comprehensive design and enforcement of preventative programmes.¹⁰ Multilateral examples of this include the World Bank's Business Partners for Development and the UN's Global Compact.

The issue of corporate social responsibility (CSR) has an impact on the promotion of labour and environmental standards, with corporations often accused of using CSR to cover over or counter balance their less socially responsible practices. Research done by Hamann and Bezuidenhout (2003) highlights the fact that large South African companies in the mining sector often feel driven to adopt CSR and improve their image as a result of their increased international exposure. Allied to this is a desire to keep responsibility for standards limited to the more visible companies, without assuming responsibility for the entire value chain. A gap also still exists between corporate 'greenwash'¹¹ and operations on the ground (Hamann & Bezuidenhout: 2002).

An interesting aspect to SCR in South Africa is that companies prefer to describe their funding activities as Corporate Social Investment (CSI). This removes the potentially political label of 'responsibility' from companies that are usually largely white. It also allows them to highlight only the investment itself and not the methods which produced it – which is the more traditional focus of CSR. CSR in South Africa is also largely focused on education, with environmental issues seen as secondary.

Initiating, monitoring and enforcing of CSR has led to the creation of codes of conduct and voluntary agreements as noted below, with the codes promoted by CSO's and the voluntary agreements promoted largely by corporations.

4. Overview of Research on Labour Standards in MNC's

Research on labour standards (wages, industrial relations, conditions of work) have been done both by unions and organisations that monitor MNC's. The ICFTU prepares annual country studies that survey violations of trade union rights in particular countries (www.icftu.org). The Mexican survey reveals that certain aspects of the labour legislation is problematic – especially regarding legislation that allows only one union to organise in the civil service. It also raises problems of the violations of workers rights and legislation in the maquiladoras – low wages and poor working conditions, and few benefits. The Vietnam survey reveals that there is no trade union independence from the ruling party and there are many restrictions on the right to strike. Many MNC's in Vietnam do not abide by the labour regulations in any case without any action being taken against them. The Cameroon survey reports that unions are denied the right to organise in export processing zones and that companies operating in these zones are exempted from certain labour legislation. In addition, government interferes in the affairs of unions and has even established a rival union federation after the traditional federation opposed austerity measures being imposed by the government.

One of the critical issues that emerge in the literature on developing countries is whether labour standards are being imposed on them through trade and other multilateral agreements, for example, the negotiations between South Africa and the USA on a free trade agreement in which the USA is demanding that SA complies with core labour standards. (South African Labour Bulletin 2003) While organisations

¹⁰ E.g. the Ethical Trading Initiative in the UK

¹¹ Greenwash is an attempt to disingenuously portray the company as environmentally or socially responsible, without attempting to adjust internal policies, so as to portray an environmentally responsible public image.

like the Fair Labour Association adopt a position of universalizing core labour standards to prevent a “race to the bottom” other views exist that either refute this or argue that there needs to be a development approach to labour standards. The latter view basically argues that given the development challenge of developing countries, they need to approach labour standards within this framework and ensure that they bolster rather than undermine development potential. There is also an argument that the imposition of labour standards on developing countries is merely used as a protective barrier by developed countries, thereby making developing countries wary of adopting labour standards in line with this. (Singh & Zammit 2000)

In southern Africa, regional integration has led to processes of harmonization on trade and investment regulations as well as financial and competition regulations. There has not been progress in the Southern African Development Community on labour standards harmonisation; however, key trends are unfolding in what Edward Webster (2001) calls the “evolving labour relations system in southern Africa” that poses serious challenges to the labour movement. Liv Torres (1998) produced a research report that covers the following topics in the southern African labour market: employment, child labour, minimum wages, social security and minimum standards, HIV/Aids, migration, women workers, etc. She concludes that no country in the SADC region has reliable national labour market statistics and there is a need to make improvements in this area.

Research on MNC’s in southern Africa during 1980s focused on their complicity with the apartheid government. (ICFTU 1981; Kibbe & Hauck 1988; Adler 1989; Budlender 1989). The research, therefore, did not survey labour standards except to mention that under apartheid certain rights were lacking and that in general black workers had poor working conditions and low wages. In line with the focus, the attempt was to expose companies doing business with the racist government in South Africa and thereby profiting from the apartheid system.

Initial research on labour standards emerged through research focusing on EPZs (Export Processing Zones) in southern Africa during the 1990s. EPZs were an attempt by governments in the region to attract foreign direct investment, specifically to enhance the exports of the region. Concerns were raised about worker rights, for example, the right to strike. Other concerns were around casualisation, low pay and benefits and the impact of EPZs on women. (Jauch, Keet & Pretorius 1996; Ilrig 1996) Subsequent research on EPZs revealed, in addition to poor labour standards and low pay, employment creation expectations have been dashed as companies adopt capital intensive measures. (Newman & Pape 1999)

Darlene Miller has done work on labour standards in Zambia and Mozambique with a focus on South African MNC’s in these countries. Her target company was Shoprite Checkers. At the store in Mozambique there was a strong sense that South African companies are exporting apartheid to Africa. This emerged from interviews of trade union members in which they highlighted the racial structure of management at the store. (Miller 2000) She also highlights the low wages, the lack of paid sick leave and abuses suffered by workers at work. Workers at the newest Manda Hill shopping centre in Zambia raised many grievances (Miller 2003): they are paid low wages, they are employed on a casual basis, there is continuous intensification of work and some workers are working over 60 hours a week. Miller concludes that regional integration may not live up to its promises, especially for workers who will see labour standards dropping.

Leon Pretorius (2000) has also done research on a South African MNC, Billiton (now based in London), operating an aluminum smelter in Mozambique. He finds that

workers at Billiton are paid higher than the national average and have better benefits than the required legislation. The company is also keen to maintain good industrial relations. Despite this there have been several cases of industrial action on the part of workers, mainly around wages and wanting to be paid on par with South African workers.

Other research done on the role of Trade Unions, specifically on the effects of their political affiliation, show that some countries in southern Africa, while having adopted ILO conventions, have national laws that are in contravention of these conventions. An example is the Botswana Employment Act of 1992 which excludes civil servants from joining trade unions even though Botswana has ratified the ILO convention 87 on the freedom of association and the protection of the right to organise. Another issue in Botswana is the complicated procedures necessary for embarking on a legal strike that makes it virtually impossible. (Dlamini 2002) Research done by LaRRI in Namibia also bears out the problems of EPZs but raises concern of a more recent phenomenon – labour brokers or labour hire companies. These companies employ workers on a contract basis and provide services to other companies, thus saving them from the responsibility of hiring and firing workers. LaRRI asks if this a new form of slavery? (Jauch 2002)

4.1 Practical Research: Some Success Stories:

Much of the research done in southern Africa has not yet led to vibrant campaigns. The examples below, however, show how research can be linked to codes of conduct and how successful campaigns can emerge. The literature also reveals some important lessons of this exercise.

4.1.1 Coca-Cola:¹²

This particular case study highlights how Coca-Cola failed to act where gross human rights violation occurred at companies associated with it but had to accede once pressure mounted. A licensed bottler of Coca-Cola in Guatemala, owned by an American businessman, was involved in violent labour practices and union bashing. Workers were denied the right to organise and bargain collectively. During 1979 and 1980, a number of unionists and workers employed at the plant were murdered, with the help of government forces, to suppress their demand to renegotiate a collective bargaining agreement. Coca-Cola refused to take responsibility arguing that the bottler was an independent company. Furthermore an independent investigation by Coca-Cola failed to link the owner with the current violence at the plant.

Action Taken: From January 1980, IUF engaged Coca-Cola at their head-office demanding it sell the plant and license. They also made the following demands: unions to be recognised; collective bargaining in good faith; no victimisation. Coca-Cola took no concrete action. From April 1980, IUF then campaigned for worldwide trade union support. This resulted in protest action by workers at other Coca-Cola plants in over 30 countries. By October 1980, Coca-Cola submitted to mounting international action and subsequently took over the management of the plant. Furthermore, the company acceded to the other demands of workers as well as establishing a fund to assist the families of murdered workers.

¹² Based on the Secretariat Report (1980) to the International Metalworkers' Federation (IMF) central committee and a series of extracts from the newsletter of the International Union of Food and Allied Workers' Association (IUF), which formed part of the report.

Lessons: A united international campaign comprising mainly of workers successfully pressurised the company to establish sound industrial relations and ended the murder and victimisation of other workers.

4.1.2 Bridgestone¹³:

The company was accused of paying workers minimum wages and subjecting them to poor and unsafe working conditions.

Actions Taken: In July 1994, 6000 United Steelworkers of America (USWA) went on strike to protests against wages and working conditions. The company replaced striking workers with scab labour. However USWA received support from trade unions in Japan, Europe and Latin America. The strike ended in May 1995, 11 months after it had started with a final agreement only being reached in 1996. Workers received an "... across-the-board wage increase, bonuses and many other concessions. All union members were reinstated.

Lessons: A united local campaign by workers engaging the company and supported by an international alliance of workers applying pressure over a protracted period to make the MNC finally submit.

4.1.3 Nike¹⁴:

In May 1994, after hosting a seminar on corporate codes of conduct in Paris, International Restructuring Education Network Europe (IRENE) and Agir Ici (Act Here) decided to started a campaign against Nike. The campaign was targeted at Nike because it wanted to "... exploit the company's position as a market leader". Furthermore the campaign would focus on exploitation and harassment of workers in Indonesia manufacturing Nike products. One of many sub-contractors of Nike in Indonesia had dismissed 21 workers for demanding the legal minimum wage, better working conditions and freedom of association. These employment practices had become synonymous with working for Nike sub-contractors.

Actions Taken: Boycotting Nike products were excluded from the campaign, as Indonesian workers feared it would lead to job losses. A mass awareness campaign was started informing the public of corporate codes of conduct and Nikes non-compliance. Dialogue with the company was also pursued.

Lessons: There needs to be a broad campaign that can apply pressure to MNC's. Dialogue with MNC's must be tackled, not by NGOs, but an intermediate credible party or body.

These cases show that codes of conduct, and research on MNC's compliance with these codes, can be linked to successful campaigns. The next section reviews existing codes of conduct.

4.2 Labour Standards and Other Monitoring of MNC's

4.2.1 The International Arena

The current literature available provides detailed information of various organizations and institutions worldwide that actively seek to ensure higher labour standards being adopted and implemented by MNC's. The information provided includes the type of

¹³ Tackling Transnationals - A resource pack for activists: International Labour Resource and Information Group. (ILRIG: 1997)

¹⁴ Making it our business – European NGO campaigns on transnational corporations. Report to Catholic Institute for International Relations. (CIIR1996)

organization or institute, contact details including websites and e-mail addresses and specific activities and/or causes which it promotes or advances. This is normally provided as appendices to publications and research material.¹⁵

Other critical information provided is the historical development of investigating MNC's with specific reference to case studies. Case studies are also used in an attempt to analyse and understand how best to challenge the power that MNC's wield. The role that codes of conduct perform as well as other instruments, e.g. Framework Agreements, available to activists is critically examined to establish its effectiveness in regulating the activities of MNC's.¹⁶ Websites of specific organisations provide an in-depth profile of the nature and structure of the organisation, the modus operandi and the status of current campaigns waged.¹⁷ The development of communication technology has meant that breaches in corporate behaviour are quickly reported worldwide and opposition rapidly mobilised.

Notwithstanding the tireless work of many individuals and organizations and special victories attained, what can be gauged and captured from the available literature and information, with specific reference to codes of conduct, is that there still remain basic obstacles for its proper implementation:

- Firstly, most MNC's do not want to subscribe to internationally accepted codes of conduct and prefer business friendly codes or initiate and develop their own 'diluted codes'.
- Secondly, where MNC's are signatories or bound to certain codes due to government legislation or previous campaigns targeted at them, they argue for self-regulation and reject independent monitoring.
- Thirdly, where MNC's are guilty of breaching codes of conduct there is no agreed upon punitive measures or sanctions that penalise or prevent MNC's from continuing their unacceptable practices. One of the reasons suggested is that where MNC'S face fierce opposition, they threaten to relocate elsewhere to more "friendly socio-economic and political environments" where they can pursue their business interests uninterrupted. This reason forms the motivation for seeking the universal application of codes of conduct and other frameworks to regulate the accountability and social responsibility of MNC's.
- Fourthly, campaigns to popularise codes are often cyclical and NGOs find it hard to sustain pressure on MNC's for long periods of time, both financially and logistically. Public opinion and behaviour is also difficult to mobilise over extended periods of time and often returns to its original pattern. The creation of an international legally binding social standards to underpin such codes may be effective as long as it is not selectively used as a trade barrier against poorer nations, which suffer from a lack of implementation capacity. However where initiatives such as the Global Compact have been launched, they have been unsuccessful in controlling MNC's.

¹⁵ ILRIG (1997), Vander Stichele & Pennartz 1996, Wick 2003,

¹⁶ Vander Stichele & Pennartz 1996, ICFTU 1980, Venkata Ratnam 1996, Observatorio Social Brazil 2002

¹⁷ www.somo.nl, www.cleanclothes.org.za, www.fairlabor.org.za, www.endgame.org.za, www.corporatewatch.org, www.elipson.com/sa8000, www.ilo.org, www.fairwear.nl, www.sa-intl.org, www.workersrights.org, www.wrapapparel.org, www.unglobalcompact.org, www.oecd.org, www.fairtrade.net, www.worldshops.org, www.mcspotlight.org

Current literature also elaborates on the challenges facing those wishing to regulate MNC activity in relation to the above obstacles and other problems that activists encounter in their daily and long-term struggles against MNC's. There is an underlying consensus in the literature with respect to strategies and the way forward.

- Information on MNC's, collaboration and the expansion of activist networks; independent monitoring; continued pressurizing of governments and multi-lateral institutions; and public awareness are all regarded as critical components of successful campaigns.
- Acceptance, implementation and monitoring of codes of conduct are regarded as instrumental for creating a regulatory environment within which MNC's have to operate.
- Long term success may be tied to the introduction and implementation of internationally binding regulation on observance of core labour rights, linked with an effective sanctions mechanism, i.e. a social clause in the WTO, linked however to a revised Dispute Settlement Mechanism. As long as the existing mechanism is used, it will prove to be too expensive and damaging to developing nations to invoke it, thus allowing developed nations to abuse any social clauses for protectionist purposes. A revamped version of global corporate accountability standard overseen by the UN may be a way forward.

An issue that requires further research and debate is which role/s best suits trade unions in terms of capacity and resources to engage MNC's. For example, are trade unions best suited to monitor MNC's and if so should they not be more actively involved in social audits with other stakeholders? Should they push mainly for the creation of national laws rather than target individual companies? Also the role of trade union investment companies need to be re-examined in order to establish how it's financial and investment leverage can compliment campaigns waged against MNC's. Furthermore, information on MNC's and effective communication of that information is critical to role players, yet this information remains fragmented and therefore a serious attempt should be made to create a data base that consolidates this information.

Along these lines the recent launch of the International Right To Know (IRTK) campaign seeks to address this issue of information. The IRTK coalition is calling on US business to build trust by disclosing the same kind of information for their operations abroad that is required in the US, such as information about their labour, environmental and human rights practices. In many cases the information is kept secret in order to conceal serious abuses of human rights, labour and the environment¹⁸.

The problems inherent in monitoring and controlling MNC's are epitomised by the apparent failure of the recent Global Compact¹⁹ initiative, mooted by Secretary-General Kofi Annan at the Davos symposium of the World Economic Forum, and now launched under the UN and the International Chamber of Commerce, to deliver on its promises. The theory and reality of the Global Compact have proved to be very different:

¹⁸ IRTK campaign (2003)

¹⁹ This initiative seeks to co-opt business to achieve various benefits in terms of resource mobilisation and promotion of certain values and forms of governance.

Theory: With the Global Compact, the Secretary-General asked world business to follow nine basic principles. *Reality:* Some companies that joined the Compact violated them almost immediately.

Theory: The Global Compact is a learning forum. *Reality:* In a year and a half, not a single learning forum case study has been published.

Theory: The Global Compact advocates openness and transparency. *Reality:* The names of most participating companies are secret.

Theory: Corporate use of the UN logo is strictly controlled. *Reality:* Corporate use of the UN Global Compact logo is not controlled

International NGOs note that the Global Compact has been hijacked by MNC's who use it as propaganda or 'bluewash' whilst continuing with harmful activities. Global business, as represented by Business Action for Sustainable Development (BASD) has as one of its central political goals the avoidance of new regulations and the promotion of voluntary measures and self-regulation²⁰.

From the perspective of corporations, the partnerships may have more to do with seeking competitiveness and legitimacy rather than humanitarian or developmental goals of the UN. Critics also argue that the UN agenda is influenced by financial considerations, UN agencies may be pursuing a narrow financial agenda, compromising their values, standards and conventional agenda for financial reasons²¹.

A secondary aim appears to be the avoidance of NGO criticism. NGOs have now proposed replacing the Compact with a Convention on Corporate Accountability. They believe the Global Compact should be renamed the Global Accountability Compact and substantially redesigned. The redesign should make clear that it is not a partnership of allies that agree on all goals, and should clarify that the purpose of the Compact is not to support a liberalized trade agenda. The Compact should include provisions for monitoring of compliance with its Principles, and for public review of corporate case studies. Global Accountability Compact companies should commit to supporting the implementation of UN-brokered multilateral agreements. However, the 2002 Johannesburg summit was unable to deliver such commitments and the struggle by NGOs for MNC accountability is ongoing. A recent initiative is the move by the International Congress of Free Trade Unions, amongst others, to draft universal norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights.

A further proposed initiative²² is the International Investment Agreement, to promote quality investment and core standards for corporate responsibility. This agreement would enable governments to attract high quality investment as part of a sustainable development strategy - a rules based system which provides sufficient stability so that foreign direct investment is attracted to developing countries, while at the same time maintaining sufficient flexibility so developing country governments can attract high quality investment and ensure that the investment contributes to pro-poor growth. The agreement would also protect basic rights through global standards for the operations of foreign investors. Multinational corporations, rather than

²⁰ Bruno (2002)

²¹ Utting (2000)

²² Proposed by the World Development Movement (www.wdm.org.uk)

governments, would be responsible for complying with standards to protect the rights of individuals and communities, all based on existing UN agreements.

Enforcement of such an agreement would be via an international agreement on Core Standards for Corporate Responsibility, establishing a Core Standards Commission (CSC). This could comprise representatives from business, trades unions, governments and the law. It would cover all the core standards. The CSC would hear complaints against companies who are accused of breaching the internationally agreed core standards. If, prima facie, there were a breach of local law, then the commission would be entitled to issue proceedings against the company in the local courts. The commission would be acting on behalf of the victim and would only proceed if their permission is received. Governments could also enforce the decision themselves through their own courts.

List of Key International Organisations Seeking to Influence Conduct of MNC's:

- International Labour Office(ILO)
- Organisation for Economic Co-operation and Development (OECD)
- International Textile , Garment and Leather Workers Federation (ITGLWF)
- International Confederation of Free Trade Unions (ICFTU)
- The United Nations (UN)
- IUF
- United Nations Development Programme (UNDP)

List of Some Organisations Developing Codes:

- International Labour Office (ILO)
- Organization for Economic Co-operation and Development (OECD)
- Fair Labour Association (FLA):- Accredited 3rd party monitoring
- Ethical Trading Initiative (ETI):- Multi-stakeholder monitoring
- Clean Clothes Campaign (CCC) :- Multi-stakeholder monitoring
- Social Accountability International(SAI):- Accredited 3rd party
- Workers Right Consortium (WRC):- WRC Agency
- Worldwide Responsible Apparel Production (WRAP) - Accredited 3rd party
- OECD:-Trade Union Advisory Committee and National Contact Points of the OECD perform monitoring

List of Some Organisations Monitoring and Researching MNC's:

- Agir Ici
- A SEED
- Catholic Institute for International Relations (CIIR)
- Ecumenical Service for Socio-Economic Transformation (ESSET)
- Women Working Worldwide
- IRENE
- IRTK Coalition
- Boycott Quarterly
- Maniben Kara Institute
- Observatorio Social
- World Development Movement
- CorpWatch
- CSR Europe
- Multinational monitor

4.2.2 Labour Standard Codes

Codes of conduct for multinationals are merely recommendations. Even if the codes have been agreed by a number of sovereign states, or such other entities as have been granted international personality by sovereign states, they do not have a status of international law which would set a binding effect on multinationals operating in those states which have adopted or joined the code. As a result, codes of conduct for multinationals impose no legal, but only moral, obligations on companies, and they are not as yet capable of enforcement by the application of external sanctions. For multinationals, the commitment to the codes is voluntary. But some organizations have placed the acceptance of their code as a condition to their membership or licensing agreements²³.

There is currently a proliferation of codes. An OECD review on codes of conduct dated June 2000 lists 246 codes, most of which were issued during the 1990's. Of the 246 codes, 118 (48%) were issued by individual companies; 92 (37%) by industry and trade associations; 32 (13%) by partnerships between stakeholders including unions and NGOs and 4 (2%) by intergovernmental organisations.²⁴ Individual companies have therefore generated the majority of codes during the 1990's. Steve Gibbons states that one of the reasons for this trend " ...was to try and deflect some of the bad publicity by passing the buck down to the supplier".²⁵

Below are some existing codes of conduct that either have labour standards as its core objective or as an integral part of it:

Table Six: MNC Codes of Conduct			
Code	Country Based In	Year Started	Members
Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy	Geneva	1977	Member states of ILO
Guidelines for Multinational Enterprises	France	1976 (Revised 2000)	OECD- Member States
Universal Declaration of Human Rights	Switzerland	1948	U. N. – Member States
ILO – Declaration on Fundamental Principles and Rights at Work	Switzerland	1998	ILO - Signatories
Labour standards in the Nine Principles of Global Compact	Global	1999	U. N. -
SA8000	United States	1997	
Code of Labour Practice for the Apparel Industry including Sportswear	Netherlands	1998	Coalition of Trade Unions, consumer and human rights and women organisations

²³ ILO, Bureau for Workers Activities, Codes of Conduct for Multinationals.

²⁴ Wick 2003

²⁵ Gibbons 2003

ETI Base Code	U.K.	1998	Alliance of companies, NGOs and trade union organisations
Workplace Code of Conduct	U.S.	1997	U.S. companies
Cadbury Code	U.K.	1998	U.K. companies
Code of Labour Practice	Netherlands	1997	Dutch companies
Charter of the European Social Partners of the Textile and Clothing Sector – Code of Conduct	Europe	1997	Member organisations
International Trade Secretariat Framework Agreements	Various	Various	Various
Round Table on Codes of Conduct	Germany	2001	German companies
Global Alliance	USA	1999	Nike, World Bank, International Youth Foundation
Sweatshop	USA	1997	Apparel Retailers and Manufacturers
Clean Clothes	Netherlands	1990	Apparel Retailers and Manufacturers
Global Compact	Switzerland	1999	Various MNC's
Worldwide Responsible Apparel Production	USA	1998	Apparel Manufacturers

4.2.3 Monitoring

The various codes interpret and implement monitoring differently – there is no consensus amongst the various codes of what constitutes monitoring.²⁶ The underlying reasons being the proliferation of codes, logistical problems where a complex supply chain exists and the absence or lack of multi-stakeholder involvement and participation. Some codes, for example, define an announced inspection or a visit at a plant or factory as constituting monitoring. For other codes, monitoring means adherence to prescribed stringent and rigorous procedures. There is however consensus amongst codes that monitoring is essential if it is to be effective. The literature clearly distinguishes between inspections, assessments, evaluations and auditing in an attempt to reach a common understanding of what monitoring and compliance should constitute. The debate in the literature centers around who should be responsible for monitoring codes; best practice for implementing codes; scope of application; verification and reporting and finally the processes and procedures that deal with complaints, appeals and corrective action.

4.2.4 Experience

There have been a number of groundbreaking victories won against a number of powerful MNC's internationally. Well known cases include Nestle and its baby milk substitutes and Coca-Cola and its franchise in Guatemala.²⁷ However codes of conduct should not be allowed to act as substitutes or alternatives to legislated

²⁶ ibid

²⁷ see Vander Stichele & Pennartz 1996, ICFTU1980.

regulatory frameworks and sound and stable industrial relations. Rather codes remain a “parallel” means to promote acceptance and adherence to internationally accepted labour standards and environmentally safe practices. For example, in 1988 International Baby Food Action Network (IBFAN) still reported continued and widespread non-compliance with the International Code of Marketing Breast Milk Substitutes after its adoption in 1981 and the boycotting of Nestle products in 1977.²⁸ From the literature one can identify the pivotal role that codes of conduct fulfill to engage MNC’s. However due to corporations vacillating commitment, codes should be regarded as an opportunity and platform to empower workers and civil society and to strengthen the international labour movement and build international social partnerships. A statement by Dwight Justice captures the perceptions of trade unions regarding codes of conduct

“Some trade unionists saw the new codes as the privatisation of labour law and a means of avoiding regulation. Others saw ... potential for assisting governments in developing or applying law. Some ...saw (codes)...as a dangerous substitute for collective bargaining ...Other saw.... potential to create space for workers to exercise their rights. In the end, all of these seemingly contradictory perceptions proved true to one degree or another”.²⁹

4.2.5 Safeguards

From the literature and experience of developing codes for and monitoring MNC’s, key principles can be discerned to ensure that these codes do not merely serve as a public relations exercise in which MNC’s enhance or regain their public image while ensuring high profitability.

First, codes should not remain at a voluntary level. While voluntary company adherence to codes does raise standards generally there are numerous problems with ensuring that this is maintained. The reason is that other companies use their non-compliance as a competitive advantage over companies abiding by certain codes. One area where legislation can really improve is by ensuring that companies participate in a basic social reporting system in which they should comply with accepted international social and environmental standards.

Second, in terms of setting standards, basic rights of workers need to be used as an absolute minimum, that is, the right to organise and bargain collectively, the right to refuse forced labour, the right to reject discrimination at work, and the right to reject child labour. These basic rights are all contained in the ILO Core Labour Standards set out in the following 8 ILO conventions (see ILO website for detail of these conventions.):

- Convention 29 (Forced Labour),
- Convention 87 (Freedom of Association and the Right to Organise),
- Convention 98 (The Right to Organise and Collective Bargaining),
- Convention 100 (Equal Remuneration),
- Convention 105 (Abolition of Forced Labour),
- Convention 111 (Discrimination in Employment and Occupation),
- Convention 138 (Minimum Age),
- Convention 182 (Worst Forms of Child Labour)

²⁸ see Vander Stichele & Pennartz 1996

²⁹ quoted in Gibbons 2003.

Third, monitoring should not be a partial or once off process. It is insufficient to audit a company in one year and for years after maintain that it continues to comply with standards set out in the codes of conduct. It is also insufficient to make generalizations from a company's performance in one country. It has often occurred that companies comply with certain standards in one country and violates them in another. So monitoring should include subsidiaries, their suppliers and their subcontractors.

Forth, trade unions are essential stakeholders in both the setting of standards and monitoring of MNC's. While other stakeholders may be directly or indirectly affected by the company's operations, workers' understanding of codes is the best way to ensure that companies comply. Without strong worker participation, codes may be violated for long periods without any reporting of this. This only works if workers have already attained the right to organise and work in an environment where they are free from intimidation.

5. Environmental Standards and Monitoring of MNC's

Environmental pollution impacts directly on worker communities as workers are exposed to this pollution in the workplace and in many cases these communities are located close to industrial areas. MNC's have developed a number of response strategies to deflect the move toward monitoring and accountability. MNC's see the move towards monitoring of labour and environmental standards as attempts to curtail their profit maximisation strategies. The literature lists a number of responses by MNC's which can be broadly summarised as engineering change to stay the same³⁰. MNC lobby groups have enormous budgets and operate within the centres of global political power in order to either derail attempts to increase accountability or force relaxation of existing measures of accountability. The success of MNC's during the 1992 Rio Earth summit in mobilising support and countering efforts aimed at controlling their activities is an example. As a result, no binding regulation of MNC's was agreed to. Examples of MNC efforts include greenwashing, self-regulation through voluntary measures and finally disinformation.

5.1 Voluntary agreements and other strategies

MNC's use 'greenwashing' to distort facts and scenarios. Greenwashing is where MNC's use disinformation and green propaganda and social investment to cast their activities in a positive light. Negative activities are not changed, but positive ones are highlighted. This has been accompanied by 'blue-washing', whereby transnational corporations use humanitarian themed propaganda, their formal role and increasing influence within the United Nations to limit the options for effective global rules and regulations by which citizens can hold MNC's accountable and liable for abuses.

Self-regulation through voluntary measures – industry has attempted to convince governments that self-regulation through voluntary measures is more effective and economical than legislation and attendant regulatory regimes. This is often used as a time consuming diversion from drawing up legislation. The voluntary measures are seldom effective unless preceded by legally binding agreements, and the voluntary agreements are then used to 'top-up' the legally binding ones. Voluntary agreements for environmental issues are even harder to enforce than codes of conduct for labour rights.

³⁰ Groundwork (2002)

Prioritisation - MNC's in developing countries often attempt to downplay the impact of poor or exploitative labour and environmental conditions. Typical responses include benchmarking wages to local conditions, using high unemployment as the alternative, casting diseases such as Aids and malaria above pollution produced diseases, or listing infrastructure or energy needs as more significant. Economic development is delinked from labour and environmental rights. Powerful lobby groups are employed to sway governments in both the developed and developing world.

5.2 Problems with voluntary agreements

Voluntary agreements for pollution control are seen as ineffective in the literature. Environmental activists note that they do not work in the absence of other related regulatory mechanisms. International experience has shown that effective and consistent enforcement of pollution control laws and standards is required for voluntary agreements to be taken seriously by industry. Green taxes or financial incentives or penalties reinforce voluntary agreements³¹. A few of the mistakes often made by host countries include placing voluntary agreements ahead of legal agreements, allowing industry to drive the process, allowing industry to provide data and excluding affected communities from the process.

5.3 Experience

The UN Environment Programme notes in a recent ten-year review of industry and sustainable development that very few businesses act sustainably. Global manufacturing appears to be relocating to countries with weak or non-existent regulatory structures and enforcement regimes. This echoed a 1999 OECD study which stated that the environmental effectiveness of negotiated agreements is largely unproved. A case study of Indonesia by Kemp (2001)³² showed that agreements bypassed worker communities and allowed corporations to operate outside of parliamentary oversight and national regulatory systems.

5.4 Safeguards

Legally binding agreements should be implemented timeously, without allowing MNC's to delay the process. Such agreements should be nationally applicable. Data should be independently collected and monitored. Government departments mandated to enforce environmental agreements should be effectively staffed and financed. Voluntary agreements should only be implemented in conjunction with legally binding agreements. The UNDP has proposed the standardisation of systems of social auditing, covering labour, human and environmental rights. In essence the UNDP proposes revitalising the debate around an international code of conduct for TNC's.

6. Focus for the African Social Observatory

The proposed Social Observatory will join a wide collection of civil society organisations (CSO's) within and external to Africa, which are dedicated to Africa's economic, political, and social development. This includes amongst others reform of various workplace, environmental, human rights and labour law issues in the diverse states of the continent. African CSO's have identified challenges facing them such as increasing advocacy, research, economic literacy, building information networks, developing independent policy proposals, the need to participate in policy formulation processes, and increased regional and continental networking. That African CSO's

³¹ Groundwork (2002)

³² Cited in Groundwork (2002)

can network and operate collectively was displayed during the lobbying of politicians prior to the World Summit on Sustainable Development in 2002. African delegations were closely involved in the Civil Society Global Forum, which produced a document calling for an implementation programme on the agreements with clear timetables and possible isolation of countries that ignore them. Although this review does not have the scope to exhaustively list the range of organisations and issues covered, it is useful to note a few of the current issues around which civil society in Africa has mobilised.

The involvement of CSO's such as the Social Observatory can lead to positive developments in African continental governance, such as conferring legitimacy on policy decisions, increasing the pool of policy decisions, supporting weaker CSO's and even governments, countering a lack of political will and helping states see past national interests alone³³. The focus of the observatory will be determined by the issues following.

6.1 African Peculiarities

There are a number of economic and political peculiarities as well as peculiarities in which the labour force has been constructed that needs to be taken into account. Some have already been mentioned earlier. African countries have a small manufacturing and service base, export mainly primary goods and import capital goods, have huge external debts, has a large and growing informal economy and attracts relatively little foreign direct investment.³⁴ Even though labour in Africa constitutes a small percentage of the population, wages serves as important source of income for the communities from which workers come. Given the reduction in the labour force due to labour saving mechanisms, poverty has increased in working class communities through out the continent. The labour force is also striated along lines of ethnicity and nationality given the strong feature of migrant labour in the development of capitalism on the continent and political attempts to keep workers divided. Migrant labour is often from rural to urban or semi-urban areas. This occurs within countries but also across national borders in Africa.³⁵ Gender striation is also still a huge problem given the lack of general social and political rights of women. Women find themselves in low job categories and are often not remunerated on the same scale as men. The informal economy, in which labour standards and employee benefits are poor, is also comprised mainly of women workers with very few benefits.³⁶ Working conditions and benefits also do not take women into account. The social observatory therefore needs to focus on both the impacts MNC's are having on the overall structure of the economy as well as on the conditions of workers they employ (including patterns of employment, conditions of work, discrimination and wages).

Such an observatory would need to examine the role and impact of South African capital in Africa and the possibility of leveraging political support through the South African state and Nepad. Given the mix of governance structures in the continent, it would be useful to examine the relationship between MNC's and the political process. In many countries the relationship between social movements and governments is antagonistic, and the Social Observatory would have to navigate these relationships.

³³ Jordan (2003)

³⁴ Mkandawire 1996, African Development Bank 2000

³⁵ Stalker 2001, Crush & James 1995, Potts 1990, Jeeves 1985, Sticher 1985, Gordon 1977, ILO 1977

³⁶ Tamale 2001, Bullock 1994, Gordon 1985, Nuss 1989, Murray 1994

Strategies identified by unions for action in the Southern African region that would impact directly on MNC's include campaigns around global labour standards, gender equality, child labour, privatisation, harmonisation of regional labour laws, and specifically the upward harmonisation of labour standards at MNC's in the region³⁷.

6.2 Organisational Capacity and the Need for Alliance Building

Trade unions and social movements generally have little capacity to conduct research to sustain campaigns and there is a need to build alliance between the two as well as draw in other organisations that will enhance the capacity of these organisations. The social observatory should attempt to do this, especially by drawing in academics, consumer protection organisations and organisations that are doing similar work on other continents. Building alliances, however, does not remove the challenge of trade unions to develop their own research capacity. It is important that this process assists in the development of unions to carry out independent research. African CBO's and Southern African CBO's in particular have often not developed systematic local research and policy analysis processes, thus limiting their effective involvement in policy formulation.

6.3 How the monitoring can be done?

Given that international experience testifies to the inadequacy of company self monitoring it will be important to keep monitoring independent from them. If the intention is to use the social observatory to build union capacity, however, there will have to be a strong worker bias in the monitoring. Other organisations like community organisations and consumer protection organisations should also be drawn into the monitoring process as the MNC, either through its production process or by the products or services it puts on the market, has social effects. Research shows that broad stakeholder involvement is often a prerequisite for successful monitoring.

6.4 Legislation

Legislation for company operations varies from country to country in Africa and is more often than not very weak when it comes to how companies should comply with core labour standards, environmental protection, corporate social responsibility and internationally accepted corporate governance norms. A survey of legislation is essential to establish the discord between legislation in various countries. There are various attempts to ensure harmonization of such legislation in Africa e.g. by the Financial and Investment Sector Coordinating Unit (FISCU) of the Southern African Development Community (SADC). There should be an engagement with such attempts to ensure that harmonization occurs in a manner that does not simply take the lowest common denominator and that the interests of both workers and consumers are substantially reflected in this process. Legislation conceived without effective civil society interaction is often watered down to the point of being irrelevant³⁸.

6.5 Campaigns

The social observatory will ensure that the research work done assists with developing campaigns that draw in workers, whether they are directly employed by MNC's or not. Examples of both recent African and international campaigns are provided below. Analysis of the lessons of international and African campaigns around MNC codes will be taken up in another paper.

³⁷ Jauch (2001)

³⁸ Attempts to introduce legislation in the SA chemical sector are an example of this. Legislation setting minimum standards has yet to be introduced.

Campaigns have been increasingly used as a tool of mobilization by civil society since the 1970's, and have proved an effective counter strategy to the extensive political lobbying conducted by large corporations internationally over the same period³⁹. A recent paper on US campaign histories argues that though it has deeper roots, the use of sophisticated anti-corporate campaigns by a growing, and increasingly influential, network of private foundations and progressive-left activist NGOs in the United States has a identifiable history dating to the first days of the Reagan administration. The author argues that the anti-corporate network has structure and strategic imperatives that have guided its development. It evolved from applications in labor organizing and collective bargaining to the contemporary focus on broad issues of corporate governance and social responsibility⁴⁰. The global progressive movement which can be seen in action at IMF and WTO meetings is the result of this progressive, populist and anti-corporate framework. Activists have used their understanding of the workings of the power structure to produce an emerging counter-structure based on the same power dynamic, and utilising advances in communication technology (especially the Internet) to mobilize support.

A distinction can be made between campaigns conducted by organized labour, and those composed of a wider set of civil society actors. With labour union campaigns the objective is usually economic – jobs, compensation, work rules, union membership – and there is some common interest between the target company and the campaigning union, in that both have an interest in preserving the viability of the company. This tends to place some limits on what the union is prepared to do in its attacks on the company. But campaigns waged against corporations by progressive activists have no inherent stake in the viability of their targets, and even see them as morally corrupt. As a result, they are less constrained in their selection of tactics. Non-labor campaigns are essentially *anti-corporate* campaigns⁴¹. Tactics employed by CSO's were highlighted in the section on corporate social responsibility above.

6.5.1 Recent campaigns - Africa:

Arms reduction is one of the contentious issues covered by civil society, with many African countries spending significant sums of foreign exchange on arms, and the continent home to a range of wars and internal conflicts. ECAAR was established in 1988, towards the end of the Cold War, pressing for disarmament and against the arms race. It is accredited to the United Nations and it has drawn to its board of trustees eight Nobel economics laureates and is now operating in twelve countries, including South Africa.

Entrenchment of democracy is still inconsistent but vital in Africa, and even in Southern Africa effective systems of participatory democracy have not been widely entrenched in the region. The Zimbabwe Human Rights NGO Forum is an NGO fighting for accountable governance in that country. National civil society sample surveys used in the Afrobarometer show that most citizens feel that their governments are not interested in their needs or issues⁴².

Campaigns around amending IMF/WB Poverty Reduction Strategy Papers and attempts to integrate the Millenium Development Goals with NEPAD's social

³⁹ In the US, corporations make campaign contributions through their political action committees, they lobby Congress and the state legislatures, they litigate and use propaganda, and do whatever is legitimately within their power to secure their position in the social order.

⁴⁰ Manheim (2003)

⁴¹ Manheim (2003)

⁴² Gabriel (2003)

strategies have led to increased activity, networking and debate amongst African CSO's around national developmental objectives. Social development objectives are seen as the context in which economic policy should operate, rather than vice versa. Campaigns against the International Monetary Fund and World Banks' Structural Adjustment Programmes have been ongoing since the late 1980's by a range of civil society actors. Increasing criticism has been allied to mounting evidence that the programmes do not work and in fact deepen poverty whilst opening up economies unconditionally to MNC's.

The Treatment Action Campaign (TAC) together with other CSO's successfully challenged the pharmaceutical MNC's in the South African courts to withdraw their challenges to the TAC's efforts to facilitate the introduction of lower priced HIV/AIDS drugs in South Africa. The TAC has been at the forefront of a campaign to force the South African government to introduce anti-retroviral drug treatments for all infected South Africans through the public health service.

The Union Network International Global Organising Report of 2002 notes responses by 13 African countries around issues of union organisation and labour rights in bargaining with MNC's. The unions note the establishment of a National Shop Stewards Council for Southern African Countries to assist in negotiations. Strategies identified by unions for action in the region that would impact directly on MNC's include campaigns around global labour standards, gender equality, child labour, privatisation, harmonisation of regional labour laws, and specifically the upward harmonisation of labour standards at MNC's in the region.

Jubilee 2000 has continued campaigning for the cancellation of all unsustainable debt owed by Heavily Indebted Countries, many of whom are in Africa. In response creditor nations have made superficial moves to restructure debt payments (HPIC Initiative).

Victims of asbestos poisoning in South Africa recently reached an out of court settlement worth 21m Pounds in the United Kingdom in respect of Cape Plc, a company which had apparently knowingly exposed its South African workers to asbestos during the manufacturing process, without providing adequate safeguards. This campaign was fought mainly by Action for South Africa, the successor to the successful Anti-Apartheid Movement in the UK.

In Nigeria Shell and BP have been targeted by campaigns alleging that their activities in Nigeria oil rich delta have directly led to the destruction of the environment and the imprisonment, torture and execution of community activists⁴³. The corporations are accused of willingly supporting such activities through their manufacturing processes and their funding of private and state militias. The families of the victims have been supported in bringing cases against the multinationals in the US courts.

6.5.2 Recent campaigns - International:

Friends of the Earth are conducting a global campaign against water privatization, conducting research into sustainable water use and highlighting water scarcity produced by introducing profit into the equation when dealing with a public necessity.

Another high profile campaign is the one waged by a number of CSO's against the continued high trade tariffs and subsidies linked to agricultural products in developed countries. These high tariffs and subsidies prevent market access for agricultural

⁴³ The most high profile of these was the execution of activist Ken Saro-Wiwa and eight others in 1995.

products from the developing world whilst at the same time allowing dumping of unnaturally cheap products on poor country markets.

The Jubilee 2000 campaign to cancel the debt of the world's most heavily indebted (and poorest) countries has attempted to pressurize creditor governments and banks to free these countries from the 'debt traps' which absorb the majority of budgetary funds in these nations.

An example of a successful campaign was the 1990 Save the Dolphin one to highlight the damage done to dolphin populations by purse seine fishing nets, which resulted in a broad based boycott of tuna. The largest corporations in this sector now utilize different fishing methods and label their products 'dolphin friendly'. This is backed up by international laws governing tuna fishing.

The increased concentration of both genetic modification (GM) technology and the mechanisms through which it impacts farmers in the developing world in the hands of a few large companies led to an ongoing campaign to highlight how GM technologies could have a detrimental impact on poor farmers in the developing world, and campaigning for strong international regulation of the trade in GM organisms in the form of a Biosafety Protocol. In January 2000 a Biosafety Protocol was finally agreed. This Protocol sets out important principles for the trade in GMO's, and represents the start in a process to force regulation of this technology.

The 2003 trade talks in Cancun have been the focus of a campaign by many international civil society bodies to prevent the re-introduction of agreements covering investment, competition policy, transparency in government procurement and trade facilitation. They are collectively known as the 'Singapore' (after the 1996 WTO meeting where they were first discussed) or 'new' issues. Developing countries have consistently opposed launching new agreements on the Singapore issues, a position they have held since before the 3rd WTO ministerial meeting in Seattle in 1999. Continued developing country opposition was most recently restated by Least Developed Country Trade Ministers meeting in Dhaka, Bangladesh on 2 June, and by African Trade Ministers' meeting in Mauritius 20 June. Both meetings called for the continuation of the 'study process' rather than starting full blown negotiations. At the last WTO Ministerial in Doha in November 2001 developing countries, led by India, again held out against pressure from the EU. They succeeded in getting a decision to launch negotiations delayed until this year's meeting. It is felt that these proposed agreements would nullify many safeguards protecting developing nation economies from being 'strip mined' and overrun by the world's largest multinationals.

Campaigns however have their limitations. The company may be so big that different divisions operate at different levels of acceptable practice. Campaigns may also fail to result in sector wide changes, and be limited to success in one corporation. Consumer preference may also be hard to adjust. Subcontractors can also escape reform initiated by the purchasing corporation. Campaigns have their most sustainable impact when they are translated into legislation and international codes, as in the case of the Save the Dolphin campaign, and then married to voluntary agreements, compliance and self-regulation. Mandatory regulation has an important role to play, but this can complement corporate self-regulation. This will ensure maximum utilization and synergy between these different strategies.

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