



Corporate Social Responsibility: Envisioning its Social Implications

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From time to time TJSGA will issue essays on topics relevant to The Living Wages North and South Initiative (TLWNSI). This is a working paper offering a critique of CSR from the perspective of democratic societies and the future of its institutions, especially with regards to the potential impact of CSR on all sectors of civil society and, in particular, on the trade unions and its practices.

Introduction

For some time now, corporate social responsibility has become a must. Public institutions (European Union, United Nations, even the ILO), the business world, employers, civil society organisations – at least some of them – seem to be at one in the conviction that “corporate social responsibility” is an essential element of present and future social policies, in all the continents and all the sectors. It has to be pointed out that this strategy is developing at a moment the multinational economic and financial groups, indeed the global market economy itself, are going through a serious internal crisis; witness the many socially and ethically “irresponsible” practices: fraudulent bankruptcies, questionable purchases, cheatings in the accounts, very high manager salaries, disrespect for basic values, deregulation, disconnection between financial and economic activities.

Instead of laws, international conventions, collective agreements, they sing the praises of codes of conduct, social labels, social sponsoring...

The aim of corporate social responsibility is also supported, paradoxically, by the national and international public authorities. Paradoxically indeed, for this strategy challenges the regulating and arbitral role of the State, the public authorities.

It would be proper to painstakingly analyse this not always very precise concept from the perspective of its advocates and users, to measure its effects on the national or international (sectorial and multi-sectorial) instruments, on the standard-setting instruments (social and labour rights), on the future of these legislative and contractual rights, and on the content of the social policies.

This strategy concerns very directly all the social actors and particularly the trade unions and their practices.

Summary

- ❑ Corporate social responsibility (CSR), a myth as old as capitalism
- ❑ What is the meaning of the CSR “concept”, the use of which is very varied?
- ❑ Why the current CSR strategy?
- ❑ The aims of this strategy
 - Towards the public authorities
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- ❑ The suicidal drift of the public authorities
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□ **Corporate social responsibility (CSR),
a myth as old as capitalism**

In the nineteenth century, workers were subjected to systematic exploitation (low wages, inhumane working conditions, military discipline on the shop floor, frequent unemployment). They were viewed as objects, disdained. “Working class, dangerous class” was what was said about them. And the employers, until the early 1920s, anxious to forget or to alleviate the exploitation and social misery, stepped up the “good works” (private schools, churches, sewing rooms, sports clubs).

From this perspective, the elimination of child labour in Europe, between 1850 and 1920, is very meaningful. In France, Belgium, Great Britain, the employers, the chambers of commerce, constantly opposed each regulation (work time, regular inspections, compulsory school attendance) that could constitute, in their opinion, unfair competition. On the contrary, while accusing the parents of this situation, they themselves organised courses or leisure time in the shops for the working children as well as sewing rooms for the mothers of child workers. In many cases, it was the wives of the employers who led these activities.

It is paternalism that underlies all these initiatives, which are always assessed in terms of cost/benefit for the companies.

These good principles do not hold out for a long time anyway; until unfavourable circumstances crop up, witness the European social history. Moreover, the good principles are always put forward to mask the reality: the more one manages in the short term, the more one refers to sustainable development; the deeper one sinks into unemployment, the higher one speaks of provisional management of employment. As is underscored by the sociologist Michel Vilette: “They say what those who suffer from an inverse reality would like to hear” (*Le Monde de l'Économie* - 03.12.02).

More recent antecedents

After the Baudung Conference (1955), from which the non-aligned movement emerged, these Third World countries put forward precise demands

with regard to a new international economic and social order. They proposed structural reforms in the world trade order, in communications, in the access to new technologies... and, in the first place, a public control over the multinational companies. These demands became very popular in the 1960s: negotiations started between the industrial and the third world countries, under the aegis of UNCTAD. The United Nations General Assembly decided to create a Commission on Multinationals as well as a research centre on their activities. The purpose was indeed to develop a universal instrument to subject the multinational groups to public rules.

The International Chamber of Commerce set the backfire in 1972 with its “Guide for International Investments”. The Chamber argues:

- About the great advantages of international investments
- About the necessity of consultations between host countries and companies to facilitate understanding
- About the obligation to treat multinational companies as national companies
- About the disastrous effects of a binding Code, which would be an obstacle to international investments.

The industrial countries were soon convinced of these principles, and the negotiations began to fail, little by little. The UN Commission on Multinationals was done away with, and the structural reforms were abandoned. These 1960s were very important as the national and international public authorities disarmed, under the pressure of the business circles, and relinquished the establishment of public rules governing economic, monetary and commercial activities, the dimension of which became increasingly global anyway.

In the face of a particularly union-based public opinion, demanding measures, the response came in 1976 with the Code of Conduct on International Investment and Multinationals and in 1977 with the Tripartite Declaration of Principles Concerning Multinationals and Social Policy. Both texts – neither of them binding or

with any legal value – hold some indications on good, including social, management. Nevertheless, these texts rendered integrally all the principles of the International Chamber of Commerce. The consensus at the OECD was imposed on the ILO by the American delegation (employers, workers and government in unison). It was a meeting of experts (an absolutely unusual procedure) that adopted this Declaration by 22 votes for (6 of which from trade unionists), 1 vote against (1 trade unionist) and 1 abstention (1 trade unionist). The practical effects of both texts are little conclusive, even if some criticism levelled at the OECD has in some cases helped the workers of these companies obtain better redundancy programmes in cases of closedown. In no case, however, the decisions on dismissals or restructuring measures were reconsidered. It was the inviolable right of the companies. It would also be the start of substitutes for the public standard-setting, binding, legally enforceable instruments. It was the first great expression of the “soft law”.

□ **What is the meaning of the corporate social responsibility “concept”?**

The concept accommodates a wide variety of achievements and initiatives: moral and ethical concerns, “good governance” in the form of codes of conduct, self-proclaimed “charters”, social labels, ethical investments, “socially responsible” investments, social labels whether depending, in Belgium, or not, in Denmark, on a law.

Very many foundations, NGOs and associations have engaged in corporate social responsibility. The big production groups (Shell, Nike, Adidas, Body Shop...) and distribution groups (Carrefour, Auchan, C&A, Ikea...) have “their” codes, in some cases in a partnership with the NGOs. We can class these instruments in three main sections: Codes of conduct, charters and self-proclaimed declarations.

The public sector has adopted declarations of principle of the same nature as the ones adopted by the private sector, e.g. the UN with “Global Compact”, and Belgium and Denmark with the social labels. These declarations are signals to public opinion, to the consumers, to the wage

earners. The controls over these instruments are very varied and in many cases very blurred. The codes and their assessment criteria are often vague. The controls are carried out either from inside the companies or by bodies dependent on them:

- Independent foundations or bodies such as SA 8000 (Social Accountability International), a U.S. NGO, or the British audit offices AA 1000 (Institute of Social and Ethical Accountability). These bodies issue labels or certificates, or they offer their services to supervise the “codes of conduct” of the companies;
- Advisory bodies for “socially responsible” investments and assessment bodies providing social or environmental evaluations and giving the companies marks. The variety of indicators and the diversity of the methods (hence, the inability to proceed to comparative analyses) make the controls as a whole little reliable. But a huge private market has emerged.

Private control market

The aim of corporate social responsibility has given rise to multiple definitions:

- Have an overall positive impact on society through a socially responsible conduct;
- Voluntary integration, by the companies, of social and environmental concerns into their commercial activities and their relations with various stakeholders (definition by the European Commission).

One can make an attempt at a definition:

«Corporate social responsibility consists in the companies themselves defining, unilaterally and voluntarily, social and environmental policies by means of alternative instruments that are neither collective agreements nor legislation, and offering, in pursuit of these aims, partnerships to multiple actors»

Control stakes, private or public?

The value of a standard-setting system, particularly an international one, is largely conditional upon the value of its control (precise criteria enabling comparative analyses, independence of the control bodies, public publication of these assessments).

Fact is that – whether intentionally or not – the public control bodies have grown weaker for twenty years:

- In the Third World countries, the labour administration (labour inspectorate) has been decimated by the structural adjustment measures.
- In the industrial countries deregulation and the advancement of employment flexibility have reduced the capacity of the labour administration.
- The ILO's standard-setting system has weakened (content of the Conventions), because it has been fought by the employers, but particularly because of strong budgetary reductions limiting its human and financial resources.

Hence, the importance of the emergence of a private control market

Thus, the sphere of private law is extending to the detriment of public law not only in the choice of instruments, but also in the one of their control. The regulating power of the public authorities is being dismantled that way. This strengthens the evolution in which the neoliberal logic is imposed. Behind the social labels and codes of conduct, certification agencies are coming increasingly to the fore (five large agencies sharing the essence of the market).

In 2000, twenty thousand social audits are said to have taken place. So, we are dealing with a flourishing, progressing market. Yet, for lack of real qualifications in this matter, referring to many different criteria, and particularly for lack of the ability to collect the reasoned and independent opinions of the workers and their representatives, these controls are not very reliable, for they are distorted, incomplete and in many cases biased.

This emergence of the private control market foreshadows what the business circles and some governments want to obtain: the liberalisation of services as currently negotiated in the Doha cycle (GATS). It is paradoxical to see that some social actors and NGOs opposed the GATS, but contribute on the other hand to extending the private control in supporting codes of conduct, charters, social assessment agencies, etc.

□ ***Why the current strategy of corporate social responsibility?***

Here we find the great principles underlying “paternalism”:

- Legitimise their activities
- Let the sceptics or those suffering from the social realities, hear the reverse of these realities using public marketing.

For dozens of years the companies – particularly the large economic and financial groups – have demonstrated their irresponsibility rather than their responsibility.

The capitalist market economy emerges and is increasingly perceived as illegitimate on account of its antisocial, and in many cases, inhumane practices. In the neoliberal ideology the aim, and only ethical and social mandate, of the companies is to maximise the incomes of their shareholders.

This is indeed the very clear view of one of the fathers of modern neoliberalism:

“Few evolutions could undermine the very foundations of our society so thoroughly than the fact that managers would accept another social responsibility than making as much money as possible for their shareholders.” (Milton Friedman – Capitalism and Freedom).

But as a consequence of this neoliberal doctrine there are millions of child workers, tens of millions of people have to do without education or health structures, workers –young boys and girls– are overexploited in sweatshops, there are extremely low wages and incredibly poor working conditions. And there is, further, the damage done to the environment (destruction of the forests, air, river and sea pollution...) on the pretext of productivity and competitiveness.

Lastly, the current system is locked –particularly by the multinationals– to ward off a less unjust distribution of resources, wealth, knowledge, power. The bad social development generates discrimination, intolerance, violence and tension. Those responsible for these situations are identified, more and more, by the entire world. Hence, the many aspirations for more social justice, sustainable development, an ethical conduct of managers and shareholders.

At the same time, this explains the offensive of the companies to acquire social legitimacy, and the will of many associations and NGOs to actually believe these companies, to the extent also that political reforms or social struggles seem doomed to failure.

Besides, this strategy of the companies serves another purpose: to sidetrack the State (the public authorities) from the economy. This is an important element of the neoliberal doctrine: prevent the national and international public authorities from making social and tax laws, but, in particular, to discredit the public authorities completely in their essential role as arbiters between divergent interests, as regulators of economic, financial or commercial activities or as organisers/guarantors of public services of general interest.

That way the market constitutes the framework for democracy and not the other way around, as this should be the case in good democratic governance.

□ *The aims of this strategy*

Besides the marketing aspects, which are aimed to fight the widespread perception of the unlawfulness of the system and its main stakeholders –the multinational groups–,

corporate social responsibility pursues several aims:

- Weaken or even abolish the law-making and contractual rights by replacing them with non-binding instruments without any legal value (zero-level deregulation).
- Weaken or even abolish the regulating and arbitral role of the national and international public authorities by replacing it with voluntary one-sided regulations by the companies.
- Affect, further, the national and international public authorities (ILO, Council of Europe) in their role as supervisors of the application of the standard-setting systems by replacing them with private bodies.
- Extend the sphere of private law to the detriment of public law: private instruments (codes of conduct, labels, charters) controlled by private bodies according to their own regulations... instead of public administration and labour inspectorates. This is clearly an inversion of democracy: private companies pretending to know and ensure the common interest instead of the national and international public authorities.
- Choose one's partners. This strategy is aimed to offer partnerships to various actors (stakeholders: NGOs, human rights, consumer, development, environmental... organisations) on behalf of the multidimensional nature of the problems.
- Besides the fact that the new instruments want to substitute for the collective agreements, the many stakeholders become more docile and more flexible competitors than the trade unions and, gradually, these new actors will substitute for the trade unions which have won, in a struggle that lasted more than one century, the collective workers' representation as well as the legal recognition of collective agreements. That way the companies can choose the partners who suit them and set aside the others.

In fact, globalised capitalism wants to impose its options, its conceptions. All societies, all people, all constituted groups must share this consensus without challenging it.

The aim is to arrive at a smooth society without conflicts, the values, criteria of which are those of the market.

Only the commercial disputes between companies, arbitrated by the market (stock exchange) or by political representatives (like the WTO with its court to settle disputes) would in that way substitute for individual, private disputes (including in the world of work. The destruction of labour collectives, which has already started (collective relations ensured by the Human Relations Directions, many obstacles to the right to strike, weakening of the representative workers' bodies...), foreshadows this aim that illustrates clearly the received concepts (no classes in the modern society anymore, therefore no disputes anymore).

Are the companies capable of self-regulation like they pretend to be? Again, the economic facts: the Enron, Ahold, Worldcom, Crédit Lyonnais, Vivendi... scandals, with doctored accounts, dishonest managers, unjustified remunerations. It

is capitalism itself that generates distrust by its incapability of self-regulation. And the internal mechanisms (board of directors, supervisory board, stock exchange committee) have been unable to prevent these scandals, which have generated considerable liabilities. The transparency and control measures the U.S. and some European countries have implemented since then are not effective in avoiding such scandals.

In the late 1970s, the European steel sectors and shipyards landed in a serious crisis (production overcapacity, dogged price competition). Those in charge are incapable of self-discipline... collective dismissals, closedowns. It was the European Commission that took energetic and binding measures to impose discipline and then prevent the already started economic and social disaster from getting enormous. Hence, the current appeals of big managers to restore the confidence: the market economy must become moral and equip itself with safeguards. Corporate social responsibility is one element of this counter-offensive.

« **We must save capitalism** » was the title of the Companies supplement of the French newspaper *Le Figaro* (10 March 2003), after it had noted, in 2002, the heavy losses of a dozen large multinationals. Observing the multiplication of social plans after the closedowns, the lead writer points out: "The stream of facts veils the deep crisis capitalism is going through. For the time being, capitalism inspires more distrust than trust. It is not the enemies of the system that jeopardise it, but some of the people living by it. The economic and financial stakeholders must pull themselves together and equip themselves with rules of good conduct."

□ **The suicidal drift of the public authorities**

Rather surprising is the silence of the public authorities and the fact that they even acquiesce in this strategy. Yet, the stakes for them are major: outspoken weakening of the law, challenge to the central role of the State as a regulator of the human activities (including the economic and commercial ones) on behalf of the common interest.

It has already been observed that at the time structural reforms were demanded (the years 1955-1975), the states let themselves persuade (if they were no accomplices) that one should let the business world do. The market in all its elements (movement of capital and goods, trade, technologies, communication) did not have to be

submitted to binding rules. The same was true for the social policies (right to work, social legislation), which could constitute obstacles to economic efficiency. These conceptions, taught at many universities for twenty years, sanctioned the hegemony of the market economy and the neoliberal ideas. The states gradually undertook to take deregulation and privatisation measures, ostensibly to modernise the societies. Ignoring once again history, at least the European history: whereas economic progress enabled social progress, social progress for its part was an important factor of economic progress. Social security, for instance, which is in many cases presented as just a cost, is an essential asset of economic efficiency through its substitution incomes (illness, unemployment, pension) and its major contribution to the social cohesion of society.

For several years, the European Commission has developed a real craze for corporate social responsibility. Submitted to a very efficient lobby of Corporate Social Responsibility Europe (CSR Europe, uniting around fifty large European companies), the Commission has been really seduced by what seems to be a must, the modern royal way of social progress, giving responsibility to the private sector and the many actors of the civil society.

The Commission and all its general directorates lend considerable political and financial support to the activities of CSR Europe and to the promotion of the corporate social responsibility strategy.

This commitment of the Commission bespeaks a certain amount of irresponsibility, however: ignorant of the current realities of the world of work, without a real (particularly historical) social culture, the Commission gives evidence of a great naivety or even of connivance with the business world.

These drifts verge upon ridicule. Officials of the General Directorate for Employment and Social Affairs have even gone so far as to contemplate giving awards for best achievements of companies, in the matter of equal treatment, for instance. Star Academy in the European style!

In this matter, the Commission has no legal legitimacy whatsoever. The Treaty recognises two regulatory instruments: the European legislation (social directives) and agreements, as the Amsterdam Treaty instituted the co regulatory role of both sides of industry (employers and workers). In these circumstances, the Commission should not support the one-sided regulatory role of the employers only. This situation also reveals the high level of penetration of the neoliberal ideology in the European institutions and among many officials.

The ILO, too, has taken up this matter: the Governing Body was to discuss it in March 2003. Whereas it is entirely legitimate that the ILO examines each social issue, it must analyse this strategy with a lot of rigour and precaution. The more so as the ILO, in 1977, was victim of the "soft law" (tripartite declaration on the multinationals) and therefore of substitutes for the

international social legislation. Because of this decision and the subsequent impotence, the ILO has lost much credit among the workers, particularly among those who needed efficient protection against the practices of the multinationals.

For a dozen years the attacks on and challenges to the standard-setting system of the ILO have been resumed (and there were many of them in the past!).

This challenge has come from a number of member states – the countries of the ASEAN, with the more or less tacit approval of many other states – but chiefly from the employers' organisations.

The demands are known:

- Too strict and too expensive, not always objective control of the standards
- Exaggerated jurisprudence of the Standards Committee, in the matter of the right to strike, for instance:
 - Open preference for non-binding standards: recommendations rather than conventions

When it suits them, the employers try to act according to these principles: deliberate sabotage, in 1998, of a Convention aimed at ensuring the social protection of workers employed in subcontracting; a new, but failed attempt in the matter of maternity protection, which the employers found too high.

Nevertheless, each challenge has not been without practical effects: under strong pressure from the governments and particularly of the employers, the ILO has ended up reforming procedures but especially reducing the human and financial resources for the development of standards. Other budget reduction measures have been announced.

In weakening the means of its standard-setting system, the ILO anticipates the intentions underlying the strategy of corporate social responsibility.

In the past ten years, the ILO regained among the workers and in the international public opinion a legitimacy and reliability that distinguish it from the other international institutions. It is not the moment to squander this precious capital.

On the other hand, the World Bank and the IMF “got rid of the deadwood” in most countries of the South by imposing their structural adjustments: deregulation of labour rights; abolition of labour laws, suppression of, in many cases, hardly-developed labour administrations, particularly of the labour inspectorates in industry, agriculture and the services sector.

Suppressed or privatised, all the obstacles to economic progress and investment were destroyed. Yet, neither investment nor economic progress have returned in these countries! Gag??

□ ***The courted civil society... resistant or helpless***

The one-sided and proactive responsibility strategy of the companies also has a characteristic that is presented as a will to objectivity. It starts from the principle that trade unions alone cannot represent the common interest and assume all the elements constituting corporate social responsibility (in fact the social responsibility of the whole society, according to this strategy). It would also be proper to call on a variety of partners having interests and even expertise in various fields: development, environment, human rights, consumer protection, and particular groups.

This approach has also complicated the implementation of this strategy: blossoming of codes of conduct, of charters to various ends, with, in some cases, heterogeneous coalitions of actors and with ill-assorted control methods.

The analyses of these codes by the ILO reveal this vagueness of goals and controls, and of the choice of priorities (the freedom of association coming in the last place in many cases).

A lot of NGOs, particularly the ones used to working with the trade unions on diverse campaigns, have been able to resist and to preserve their criticism of the “social” companies.

Many others have fallen into the trap, however, albeit in good faith: they could commit themselves and do good (child workers in particular) and, above all things; they received resources (as the companies remunerated the achievements of these NGOs). There is a whole string of circumstances in which respectable associations or NGOs without a genuine social culture (past and present collective relationships) believe they have found new fields and means of action public subventions could not supply anymore. They have also found themselves enhanced in value, rubbing shoulders with great marks and large companies, and they have the impression to increase their activities tenfold that way.

Some of these organisations, which had fiercely defended their independence from the public authorities that provided them with subsidies, seem to find no fault in being funded or sponsored by the large companies. These NGOs are convinced of the good faith of the companies, and they are sure that they are not being used by them.

Do these developments count in favour of progress in the minds of the neoliberal ideology (downgraded public authorities, upgraded private sector actors)?

So, this strategy constitutes a challenge to the trade union movement and to collective bargaining. The new partners are large in number, for this gives the possibility of choice for ones and distance from the others.

As the ETUC pointed out in a note on this strategy, it is necessary first to denounce three illusions:

- The illusion that the balance of power does not exist anymore and that we are bathing in a consensus without divergent interests between actors
- The illusion that all the partners of the company are equal in knowledge and power: management, shareholders, trade unions, consumers, NGOs, public authorities. The social history has largely revealed that power is not shared in the company. At least not in the essence. It is the shareholders and managers who determine the policy, decide and do not share their decisions

- The illusion that the voluntary method is more pertinent and more efficient, as it is based on the good will and the knowledge of the companies.

With regard to the corporate social responsibility, defined by CSR Europe, the European situation is as follows:

- The vast majority of the trade unions has no illusions, the more so as the lessons of social history and the current practices plead against this strategy
- Some trade unions believe they are strong enough to divert these strategies or to use these new instrument in favour of the workers
- A few trade unions dream of an *entente* with the employers, forgetting that one of the partners is the stronger.

If the trade unions have to denounce this strategy, oppose it, expose its real goals and motivations with the workers and the NGOs, they must also be very present in this struggle, with proposals.

□ **Resist and propose** **Democratic urgencies**

We do not want to use big words or to practise a certain amount of pathos, but it is democracy that is at stake in this strategy of corporate social responsibility. It is a further step in the hold of the market on all the societies, all the human activities, but also on the way of thinking and acting of people and their organisations. The private company wants to take the place of the State and the public authorities in indicating its choices that allegedly correspond with the common interest of society, in imposing its non-binding rules (soft law instead of legislative and contractual standards), in organising private, mainly fictitious controls to the detriment of the public labour administrations. The privatisation of public law is extending.

Marc Sangnier, French politician, pacifist and socially committed, affirmed in the late 1950s: "*Democracy has stopped at the company gates.*" In essence, this is still true. Some adjustments have been made: transparency of activities towards the public authorities and basically also

towards the wage earners. Representation structures and consultation methods have been imposed, but it required very big events (structural reforms in Europe after 1945) to produce small changes. The company still remains a feudal, hierarchical structure, transmitted according to the concepts of private property. It is answerable only to its shareholders. The constitutional monarchies have real democratic virtues. Not so the companies! The more so as the sociological control that existed in the company environment (town, city) when the manager-owner and his family were known and acted in fact with some amount of transparency, has disappeared with the concentration and constitution of large economic and financial groups. Capital is varied, very mobile and sometimes hardly identifiable, decision power is complex, opaque, remote. The motives underlying the decisions (except for the hope to maximise the profits) are hard to fathom.

These large economic and financial groups, the activities of which are decisive (for good or for evil) for the lives of societies, function in an undemocratic manner. So, there are in the most advanced democratic regimes spaces of non-democracy or in which democracy (State, public authorities) intervenes only partially or provisionally (like a room in a house that is lighted only by a few sunbeams on the days there is some sun). By the way, these companies make very large use of their subcontractors in zones marked by the absence of rights: the free export zones. So, the companies remain in places where democracy remains to be established more concretely: e.g. more transparency, choice of managers, transmission of property and assets, organisation of work, profit sharing, working conditions, obligations towards society... But the resistance will be very strong: it has taken more than 25 years to obtain a status for the workers in the European limited liability company.

After the closedown of Renault-Belgium, the matter of the necessity of information/consultation in the companies was raised. The employers refused to negotiate a relevant European agreement with the trade unions. It took the European Commission a very long time to work out a draft directive. Yet, it took the Council of Ministers three years to adopt a very toned-down version of an obligation to inform/consult in

companies employing more than twenty workers (vague content, no constraints, no sanctions in case of non-application). The struggle against the creation of a European works council was intense, animated by the lobby of European and U.S. companies. Making the companies more transparent and informing the elected workers' representatives regularly on the company's market was considered an anti-economic move.

The only way to make companies democratic is the contractual way, between responsible partners. For twenty years the business world has weakened the collective agreements in several ways: refusal to negotiate, weakening of the content, obligation to negotiate locally (where the decision power is limited to matters of little importance) to the detriment of the national, sectorial, European or central group level.

The trade unions have proven for a considerable time that they can negotiate at all these levels and that they also honour their commitments in difficult situations.

It is perfectly possible to contemplate larger spaces of negotiations with various partners. In recent years new forms of negotiation were tried out:

- As for the insertion of people or groups in difficulty in the labour market, it was possible to measure the efficiency of enlarged partnerships between managements, company unions, local unions, local authorities, NGOs and specialised associations, public labour administrations;
- As for the problems related to the environment or to sustainable development (discharge, by the companies, of toxic substances in the air or in water, risk of major accidents), negotiations between the managements of these companies on the one hand and the company unions, the associations concerned, the local authorities and the competent public services... on the other have resulted in measures or adjustments to get rid of pollution or to eliminate risks.

In these operations with multiple actors, the responsibilities of each partner must be specified (nature of the commitments, expiry dates), and

the collective agreement must be registered by a public institution.

Contractual management of life in society (management of collective buildings, collective equipments, district planning, territorial development, urban or rural mobility, access to public services, education, health, transport, energy...) is no doubt the most promising way to re-democratise societies, including companies.

Trade union priorities

Facing the strategy of corporate social responsibility, the trade union movement must resist, oppose, take apart arguments and implications. But this is insufficient, a positive commitment in the field of CSR is necessary. It would be proper, however, to underline at once the basic option of the trade union movement: total opposition to a one-sided, voluntary regulation of the companies and option for a framing of corporate social responsibility either by laws or by contractual agreements with the trade unions or other possible partners.

Possible fields of action are:

- Activities in alliance with NGOs/associations (stakeholders called on within the framework of CSR):
 - i. Meetings and debates to confront trade union and NGO approaches to CSR
 - ii. Educational activities to get better acquainted with the current realities of the world of companies, give more content to and extend the use of the international social standard-setting systems (ILO, Council of Europe), to remind us of the elements of the social history
 - iii. Conduct joint campaigns (e.g. clean clothes, toys) to make the manufacturing realities known, to identify the principals and to support the creation or actions of the trade unions in these companies
 - iv. Extend these campaigns to the rehabilitation of the labour administration services, dismantled in many countries by the structural adjustment measures, application of ILO Conventions no. 150

((labour administration) and no. 129 (labour inspection in agriculture)

- v. Work on the establishment of countervailing powers in the field of consumption and sustainable development.

The trade union movement in all its component parts (international, regional, national, sector and inter-trade) ***could make it its aim:***

In five years' time, all the international companies will have signed contractual agreements with the workers' representatives in all their daughter and branch companies in order to implement *at least* the eight ILO Conventions constituting the basic social rights.

These contractual agreements, applicable in all the workplaces dependent on the company, will be accompanied by joint control and follow-up mechanisms. The ILO (see below) will have to take an active part in establishing these international company agreements.

The trade union movement wants the ILO to commit itself actively:

- Regular follow-up to all activities related to CSR. Analyses, elements of debates, relations with the ILO's standard-setting system, overall and theme-related studies
- Extend the ILO's standard-setting system:
 - i. In 2003, the adoption – or not – of a Convention on the social protection of workers employed in subcontracting will be a major test. The attitude of the employers at the International Labour Conference 2003 will show to what extent they conceive of corporate social responsibility
 - ii. A Convention ensuring the *principle* of a guaranteed minimum income
 - iii. A Convention and a Recommendation to combat stress at work, and social protection of the workers against harassment and situations of violence or contempt at the workplaces

- iv. A Convention and a Recommendation ensuring the protection of workers affected directly or indirectly by collective dismissals or restructuring operations.

- With regard to international agreements of companies:
 - The ILO would be the place for registering these agreements. Registration of the agreements by the ILO Governing Body would imply their conformity with the ILO's standard-setting system;
 - Upon request of the parties, the ILO could lend assistance with regard to the content of the agreement and to the joint control and follow-up mechanisms;
 - The ILO could also lend support to provide the contracting parties with a thorough knowledge of the ILO's standard-setting system. In case of non-implementation or dispute between the contracting parties, the latter could call on the ILO Governing Body, which would take the necessary measures.
- Lend appropriate technical assistance to rehabilitate the labour administration services in many countries.
- Also, an energetic promotion of the Conventions 150 (labour administration) and 81 and 129 (labour inspection) would be welcome.

Several other fields could be the subject of research and actions (assessment methods, funding of the interveners, public policies to improve the social and environmental achievements of the companies...).

It remains true that the constitution of countervailing powers in the companies – in all the workplaces – is the prime goal. Besides its profound democratic meaning, it would be the only way to legitimize and fasten the trust of the citizens in the companies.

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