A woman with dark hair, wearing a blue and white plaid short-sleeved shirt, is shown in profile, focused on cutting a piece of pink fabric with red-handled scissors. She is wearing a silver bangle on her left wrist and a small earring. The background is dark and out of focus.

GA connections

spring 2004

Global Alliance
for Workers and Communities

DEAR COLLEAGUES AND FRIENDS,

After several years of experience in the supply chain, it is becoming increasingly clear to us that unless local vendors truly understand and are equipped to sustain responsible practices, many Corporate Social Responsibility (CSR) efforts driven by global brands, unions and international NGOs will fall short of the expected results. Top down approaches are rarely sustainable and do not foster the kind of dialogue necessary to promote local ownership.

Global Alliance Country Directors spend a lot of time maintaining relationships with factory owners and managers as well as with local service providers. Trust is at the core of partnerships like GA and building it is a long term process. As we expand our efforts in China in 2004 to a total of 14 factories with 102,000 workers, we are making greater investments in building these lasting relations.

To this end, last November GA China held a dinner event in Guangzhou with representatives from global brands and top executives from 12 contract factories. The event aimed to engage local managers on CSR issues, hear their concerns, share experiences, and gain feedback on promoting the CSR agenda in China.

One factory manager commented that unless CSR costs are included in the unit price paid to suppliers, there will be little incentive to sustain such efforts over the long term. This also has implications for consumers on the other end of the supply chain. Whether or not they would be willing to pay higher prices for goods produced according to fair trade guidelines is yet to be determined.

Making the business case remains a key goal for GA. Tufts University researchers continue their three-year evaluation to assess the impact that a CSR initiative such as GA has on improving the “bottom line” for business while contributing to local development goals. In the past couple of months, Tufts has interviewed GA staff, CSR officers of global brands, and factory managers to develop the economic and human development models that will be assessed over time. We look forward to keeping you posted with the results of the evaluation process.

Sincerely,



Carol Michaels O'Laughlin
Executive Director

GA at a Glance

The Global Alliance for Workers and Communities (GA) is a partnership of private, public, and nonprofit organizations seeking to improve the lives of factory workers and their workplace environments.

GA was created in 1999 by the International Youth Foundation, Nike, Inc., and the World Bank. Soon afterwards, the Gap Inc. also joined this partnership. St. John's University and Penn State are academic institutions that have supported the efforts of the Global Alliance, as has Inditex, a Spanish apparel company.

Through its work, GA is able to provide a risk management tool to brands on labor compliance issues and to facilitate local stakeholder relations with businesses, NGOs and governments.

GA is currently active in 5 countries, 61 factories, and reaching a workforce of 240,000 workers. To date, more than 102,230 workers have benefited from health and education services, and more than 2,580 Peer Educators have been trained. To improve workplace relations—a major goal for GA—more than 9,100 line supervisors, mid and upper level managers have been trained in such areas as communications, team building, and listening skills.

In addition to health and management training, about 5,250 workers have benefited from personal finance and other development programs. Currently, GA has certified a total of 27 trainers who are active in the factories at the country level.

HIV/AIDS: Hidden Loss in Our Workplaces

by Krittika Wongklom, GA Program Manager



According to UNAIDS, the joint UN program on HIV/AIDS, over 1 million people in Asia and the Pacific acquired HIV in 2003, bringing to an estimated 7.4 million the number of people living with the virus. Of the millions of people infected with HIV/AIDS, the vast majority are working age (15-49), individuals at the core of families, communities, enterprises and economies.

This gloomy scenario is but one reason why the private sector should be proactively involved in raising awareness on HIV/AIDS among their workforce and in the markets in which they operate.

Thailand, along with Senegal and Uganda, has often been singled out as one of the few success stories in the fight against HIV/AIDS. Strong political commitment and vigorous campaigning, have contributed to sustained reductions in infection rates, bringing them down from 4% in the mid-1990s to 2% in 2002.

Yet AIDS still ranks as one of the top five causes of death in Thailand. One fourth of Thai households affected by HIV/AIDS live below the poverty line and most HIV positive patients are working age.

The United Nations estimates that Thailand's most productive population could be reduced by 10 million by 2015, a drop that would shrink the country's GDP per capita by 0.65% or US\$ 1,272. Lower GDP per capita means less purchasing power and consumer demand for products.

At the household level the economic impact of AIDS is also significant. Medical expenses for an AIDS patient in Thailand can run up to \$1,000 a year, more than half of the average Gross National Income of \$1,980.

In response to the Thailand AIDS epidemic, Global Alliance in collaboration with the Thai Red Cross, the Rainbow Sky Association of Thailand, and the Wednesday Friends' Club launched a 10-day public education campaign in December 2003 aimed at workers already participating in Global Alliance programs.

The event promoted positive public attitudes towards people living with HIV and their families, and educated thousands of workers on basic prevention methods.

During the event, volunteers from the Wednesday Friends' Club, an HIV positive peer support group, shared their stories

about the personal and social impacts of HIV/AIDS. Workers were encouraged to ask questions and talk directly with people who are HIV positive.

"I am very impressed by the amount of attention that workers give to this issue and by their active participation," said Ms. Patinya of the Wednesday Friends' Club. "It is essential that workers have good understanding about HIV/AIDS. If one of their co-workers becomes infected with HIV, at the very least they will know that they can work and live together comfortably. I also want to promote female workers' understanding of their rights to negotiate with their partners or husbands to use a condom for protection from HIV and other sexually transmitted diseases."

Mr. Sawad, a footwear factory worker, said he passed on the information he got at the exhibition to his family, especially to his wife because, "she has a negative attitude towards people living with HIV." Stigma towards those living with HIV/AIDS is still prevalent in Thailand despite multiple media campaigns.

Interpersonal communication is still one of the most persuasive methods in overcoming AIDS biases.

"I told my wife that we should give AIDS patients lots of support. I also had a frank discussion with my teenage son about the dangers of HIV/AIDS, how to protect himself, and encouraged him to openly talk to me." Introducing HIV/AIDS information in a factory setting has its advantages: there is a solid audience in the high risk age group (15-49) and multiple target audiences as a result of word of mouth. Furthermore, it addresses a critical issue that companies are confronting anyway.

"In my morning talk with my subordinates, I told them what I learned about AIDS. I also shared this with my family," said Mr. Thongpoon, a factory line supervisor. "I told them that we should not discriminate against HIV-infected persons and that we should give them equal opportunities."

During 2004, Global Alliance Thailand and its partners will train hundreds of factory Peer Educators on HIV/AIDS, shifting from activities that put out messages, to activities where in-depth knowledge and skills are acquired and a more open environment allows the voices of those affected to be heard.



Factory workers playing AIDS bingo, an educational game aiming to raise awareness about HIV

Striving to Build the Business Case: An Independent Assessment

On-profit organizations seeking to improve workplace conditions and workers' lives are often challenged to quantify their results in a manner that is meaningful and persuasive to businesses. The usually intangible and long-term nature of these programs makes this a challenging and extremely data-intensive process.

For nearly five years, the Global Alliance for Workers and Communities (GA) has been delivering health, personal finance and workplace development and training programs within supply chain factories. Despite abundant anecdotal evidence from workers as well as factory managers on the positive impact of GA in the workplace, few vendors are ready to take over program costs and organization. **“At the country level, factory managers are reluctant to directly invest in CSR activities,”** explains Carol Michaels O’Laughlin, GA Executive Director. **“They await more rigorous cost/benefit analysis that clearly demonstrates the impact of such activities on their bottom line.”**

To address these issues, the Center for International Economics (CIE), a private Australian economic research agency, was commissioned in 2003 by the World Bank to: 1) design a cost-benefit framework that would enable developing country firms to assess the merits of factory-level CSR interventions, such as GA; 2) apply that framework to four factories in Thailand and Indonesia; and 3) report research findings and their implications for the public sector.

The CIE study provides useful insights on the benefits of worker development programs within supply chain factories and on potential government participation in such programs. The researchers, however, say that it was difficult to demonstrate the cost-benefit impact of the GA in the four factories due to lack of accurate and systematic financial data related to areas of GA’s intervention; insufficient time since the GA program began; and inability to isolate GA from the many on-going changes in the factories as well as economic trends in the country.

Even though the research could not substantiate increases in productivity nor reduced absenteeism with facts and figures, there were some promising signs and acknowledgement from both managers and workers that GA is benefiting employees

and improving the workplace environment. **The researchers found that management in GA factories is strongly supportive of GA’s Management Training (MT) program. While factory management can intuitively associate the MT program with increased productivity—states the CIE report—they cannot always appreciate the relationship between worker health and productivity.**

To substantiate this, the CIE report aims to link health and life skills programs to the business bottom line. GA health programs focus on improving nutrition habits, increasing knowledge on reproductive health and preventive health care. In one factory, for instance, the data confirmed that average fainting on the line decreased from eleven cases per month to five. Management and workers attributed this improvement to GA’s health and nutrition program.

In all four factories, according to the study, “workers on average visit the factory health clinic for reasons of illness 66% less frequently following the Global Alliance training, while (immediate) family members visit clinics 71% less frequently.” Only one Thai factory was able to provide the researchers with required data on health clinic costs to estimate benefits of the health program to workers, the factory, and the community of the health program. Where these benefits could be quantified, 81% of the total accrued to the wider community, thus resulting in an overall decline in family members visits to health clinics.

“This public health spill off into the wider community is clearly a benefit for local health authorities,” says Nigel Twose of the World Bank. **“Informed people take better care of their health which results in lower public health cost.”** Such an argument may prompt local governments to co-support preventive health programs for factory workers.

While the results of the CIE report do not provide conclusive evidence for making the business case, they are still promising. “Despite the lack of hard numbers, the researchers at CIE have taken us several steps closer to being able to make our case,” says Executive Director O’Laughlin. “It is no longer a question of *if* programs like GA have a positive impact in the workplace but a question of *how much* impact they actually have.”

Researchers from the Center for International Economics saw promising signs that specific training programs are benefiting employees and improving the workplace environment

A GA Trainer Shares her Experience in the Factories

by Monica Ramesh*

Becoming a certified GA trainer is challenging in itself, as it involves a rigorous selection and preparatory process. During the interview the following questions were spinning in my head, “Would I be comfortable training an already developed module? What would be the challenges of training in a factory setting?”

In the eight-day Training of Trainers course we learned about the “Supervisory skills development” training module. Two experienced trainers demonstrated the entire module, session by session, providing us with strategies to make the sessions more interesting and participatory.

One-to-one feedback sessions were very helpful in improving my effectiveness as a trainer and polishing my skills in specific areas. Rolling out the entire 24-hour training program for the first time, while being supervised by more experienced trainers, was intimidating. After all, every trainer has his or her own style that invariably needs adaptation.

The GA Supervisory Skills training program is unique as it focuses on one of the most critical and often neglected elements in the factory:

supervisors themselves. They are the ones who can reach both the workers and mid-level managers, and if properly motivated, they can initiate desired changes in the workplace.

One of the strengths of this training is the comprehensive coverage of content and flow in terms of both knowledge and skills needed to perform as a “professional” supervisor. The professional supervisor is the role model and his or her ways unfold gradually in each of the 16-course sessions, providing clear guidelines for areas to improve through a combination of knowledge, skills and positive attitude. The participatory approach provides room for dialogue about critical everyday issues such as production pressures, being assertive with superiors, and correcting the consistent poor performance of certain workers. With examples, illustrations and pointed stories, participants can relate concepts such as integrity and building trust to their own experiences in the factory and at home.

One of the challenges shared by many is, “how to be professional

if the environment and senior colleagues are themselves acting unprofessionally?” Although this is a real hindrance, the training emphasizes changing personal behavior first because this is ultimately what one directly controls. Other changes can follow suit and usually do over time.

A supervisor once remarked at the end of a training, “When I go home, I listen more patiently to the stories that my wife and children have to tell me and I will not ignore them.” These trainings may very well be the best thing offered to supervisors in a highly stressful industry. **Rarely are supervisors provided with clear directions or guidance on how**

to manage workers. What they are told over and over again is that “the shipment has to go and that they need to control their line.”

Supervisors develop their own methods of managing workers. Many admit that their ways are sometimes aggressive and fail to realize that in the process they are crushing the self esteem of their workers. In their feedback they are all grateful for having had this training opportunity. **“This training has given me an outlet to share pent up feelings and frustrations,”**

commented one supervisor. **“Now I can choose to be a different kind of supervisor and a better one as well.”**

A remark casually made by the CEO of a supplier factory at the end of a training: “Whatever time you have wasted here I hope you use it later,” indicates that more work is needed to demonstrate the importance of investing in factory management. Fortunately, this type of remark is not the norm.

Other common challenges we face are ensuring that the appropriate people are enrolled in the training, regular attendance of all participants, allocating training time, securing a training space, making appropriate logistical arrangements, and providing post training follow-ups.

Equipping supervisors in the human dimension of management is essential to improving the workplace environment. More efforts should be made to educate suppliers about the benefits of adopting a bottom-up approach to social compliance by creating a positive work culture and environment.



* Monica Ramesh, a GA trainer in India and CSR Manager at the Association for Stimulating Know-How, is one of 27 certified GA trainers in 5 countries. Monica has a Bachelors degree in psychology and a postgraduate degree in social work from Delhi University.

Domestic Violence: A Burden for Many Factory Workers

by Richa Mittal

During interviews conducted by Global Alliance (GA) with women workers in garment factories in Bangalore in November of 2003, it was shocking to discover that almost 80% of them had experienced some form of domestic violence. Even more alarming is the fact that many are afraid to discuss these problems with anyone.

Feelings of shame and fear of discrimination prevent women from talking about these issues and filing a formal grievance. Not surprisingly, in India, only 30% of all complaints filed with the police are lodged by women. Of the complaints that do get filed by women, 50% have to do with issues of domestic violence.

“When we launched the GA’s Social Security Program in 2003 with Abayashram, a local organization, workers were very hesitant to approach the counselors,” says Sandhya Christopher, regional coordinator for the Global Alliance in Southern India.

“With time, more workers started to seek counseling,” she explained. “As we continued, it became apparent that a significant proportion of them are suffering from domestic violence.”

The Social Security Program provides counseling and legal advice to women who have personal problems due to domestic violence, alcoholism in the family, extra marital affairs, and sexual harassment.

Counselors visit the factories regularly and talk to workers during their lunch time. The addresses and telephone numbers of helpful organizations are also displayed on bulletin boards and made accessible to workers in case they need specialized assistance.

Today, many Indian women are better educated, often work outside the home, are more self confident and enjoy some degree of financial security. For many women it is easier to get jobs in the garment and manufacturing sectors than elsewhere. The problem is that while women have a job, their husbands remain unemployed. **This situation often escalates conflicts at home, and results in alcoholism, drug abuse, and violence.**

The nature of domestic violence has changed from harmful customary practices like child marriages and preference for male children, to increased verbal abuse, beatings, physical injury, sexual assault and harassment, rape, and murder. The grim reality is that violence against women in India is on the rise.

Many factors can explain the silence among women, including issues of cultural conformity, a more submissive female education, unequal status in the society, lack of knowledge about women’s rights, low awareness about how, where, and when to seek legal advice, absence of funds, and mistrust in professional assistance.

According to Legal Pundits International, a portal for Indian law, abused women are 12 times more likely to attempt suicide than those who are not abused. Or it can be the other way around: their pain can turn against the perpetrators of the abuse. In a recent case, for example, a garment worker in Bangalore killed her abusive husband when she could no longer bear the torture she was experiencing.

This woman later informed both the police and the factory management about the crime she had committed. The factory management, who was already working with GA, sought their assistance. GA, the counselor, and

Abayashram are now involved in the case. While the case is still pending, the worker is out on bail, has resumed her job at the factory, and the situation is being evaluated carefully. As a result of this dramatic event, counseling through the GA program is now offered more frequently. The hope is to offer assistance before problems escalate. **GA counselors provide counseling to an average of 40-50 workers per month.** The horror evoked by this incident has brought the issue of domestic violence to the surface and has helped reduce the stigma around counseling.

It is ironic that in spite of the economic, social and technological progress mankind has achieved, millions of women continue to be abused behind the closed doors of their own homes. It is even more distressing to realize that many wage-earning women carry heavy secrets in their hearts while they work behind factory doors.



TOP PHOTO: A local theater group performs in a factory a play on overcoming gender violence.

BOTTOM PHOTO: M. Sandhya, GA Program Manager, Bangalore.

Wages Plus: How Knowledge and Self Esteem Can Improve a Woman's Quality of Life

by Marsha A. Dickson and Mary A. Littrell

MarketPlace: Handwork of India sells clothing to US customers online and through a mail-order catalogue. The hand printed and hand embroidered clothing and interiors products are made in Mumbai, India. MarketPlace and its organizational partner, Support the Handicapped Rehabilitation Effort (SHARE), began their operations in 1980 with the aim of providing employment to low-income women and people with disabilities. By 1994, MarketPlace was providing employment to 350 workers, organized into seven small production workshops.

The partnership between MarketPlace and SHARE serves a dual purpose: providing jobs in manufacturing apparel and interiors products while offering support services to underprivileged women. In its role as manufacturer, MarketPlace distributes orders to the seven working groups located in slums in and near Mumbai. Sewing and embroidery is completed on a piece-by-piece basis, most often in the workers' homes where the income-producing activity is integrated with other responsibilities, such as fetching water, preparing meals, cleaning, and childcare.

SHARE oversees a range of activities focusing on education, health, and social issues targeting MarketPlace workers. For example, each production unit assumes a social action project in the slum. The members of one group focused their "social action" on women's and children's health issues. The women first sought health care training from a social service agency in Mumbai. Next, members divided themselves into groups self-named Capsules, Vitamins, Injections, Surgeons, and other equally evocative terms. Equipped with a set of simple, hand-drawn posters, the teams visited other MarketPlace groups to educate members on critical health issues.

In 2000, MarketPlace and SHARE asked the two of us to conduct a social audit to determine how well they were achieving their alternative trade goals of paying fair wages, enhancing worker self-worth and self-respect, and empowering workers to identify and address the social issues affecting their lives and community. In this research well-being is measured by a range of material, social, and psychological indicators. Underlying well-

being is a dependable source of cash and the capacity to engage in income-producing activities. With Earthwatch Institute funding and volunteers, we interviewed many of the women who sew and embroider for MarketPlace.

Our interviews revealed that MarketPlace is meeting its goal of providing fair wages. When work was available, most women received a living wage and the majority of households could cover their share of basic household expenditures. However, less educated

workers were not as likely to make a living wage, a finding that emphasizes the link between enhanced skills and increased earning potential.

We also found that psychological and social well-being was improved by working with MarketPlace. Psychological well-being is related to women's increased courage and self-confidence to stand up for themselves and for their families or to take charge of a situation. One worker commented, "I feel very courageous [now]. I don't think I'm weak anymore. I can face anything."

Social well-being is connected to meaningful friendships the women develop with their co-workers or increased respect from family members. One woman remarked, "I have the capacity to talk to people about their sorrows, which I didn't have before. In our group women all share their problems at home, and I can speak to them about how to solve them. I have an identity of my own now." Another commented, "My husband treats me better. He has given me more independence than before. [He] never used to let me go out of the house before I started working with MarketPlace."

The data revealed that for these women in the Golibar slum of Mumbai, quality of life includes material, social, and psychological dimensions. Each sphere had been enhanced as a result of the women's employment. Clearly, the benefits of their work went far beyond economic livelihood gained through the wages they earned. Focusing solely on economic indicators, therefore, may underestimate other fundamental gains that women accrue from working in apparel production for export.



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Mary A. Littrell is a Professor at Iowa State University



Commentary on UN Draft Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regards to Human Rights

BY JOHN MORRISON

Co-ordinator Business Leaders Initiative on Human Rights

Contrary to popular perception, not all businesses are against the UN Norms. In fact, the seven founding companies of the Business Leaders Initiative on Human Rights have received many enquiries from other companies interested in how progressive business should respond to this opportunity. We hope that bodies such as the International Chamber of Commerce (ICC) and the US Council for International Business (USCIB) might agree that the content of the Norms offer no threat to any responsible business, but rather provide opportunity for those wanting to make a real contribution to human welfare. However, several concerns have been raised by some business associations. These can be divided into four conceptual areas:

The universality and indivisibility of human rights

The first sticking point is about understanding the full breadth of human rights and the fact that they are inalienable to every human on the planet, whether their government chooses to respect them or not. The USCIB has criticized the Norms for going “far beyond issues of basic human rights” and for covering “a range of political, social and economic rights that are appropriately decided by national governments.” Yet this ‘pick and mix’ approach to human rights was not the intention of Eleanor Roosevelt when she presented the Universal Declaration to the world on the 10th of December 1948.

The breadth of the Norms make sense to many progressive businesses as they offer a template into which national regulations on issues such as health and safety, equal opportunities, security and consumer protection can sit with more philanthropic or community-focused work. The cultural relativism that is endemic in some more traditional approaches to corporate social responsibility can place unlimited expectations on some businesses with little consistency between markets or business sectors. By encompassing the breadth of the Universal Declaration and the International Conventions that followed, the Norms allow businesses to follow a more objective and consistent framework against which their actions can be judged more fairly.

Voluntary approaches versus regulation

Businesses prefer voluntary approaches to regulation. This is not just in order to maximize profits and reduce costs but because most businesses work best when allowed to be creative and entrepreneurial.

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BY REV. DAVID M. SCHILLING

Interfaith Center on Corporate Responsibility (ICCR)

Transnational companies operating in today’s global economy face significant challenges. How a company responds to human rights violations has an impact on its business performance and the public’s perception of the company. Unocal, for example, has come under concerted pressure from international human rights groups, religious shareholders and a lawsuit for participating in the building of an oil pipeline through Burma, a country whose government has a record of egregious human rights violations. Likewise, Shell International faced major criticism for its muted response to the Nigerian government’s human rights abuses and executions in 1995 of nine Ogoni leaders.

Establishing a corporate human rights policy

These examples highlight the negative impacts on the companies involved. Yet a crisis can be a wake-up call for company executives. Better to have a corporate human rights policy in place that is comprehensive, transparent and verifiable.

Religious investors, members of the Interfaith Center on Corporate Responsibility (ICCR), have engaged over 25 companies on the issue of human rights for more than a decade. ICCR members use the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance* (www.bench-marks.org) to guide their corporate accountability work. Some companies have adopted human rights policies. Others resist doing so, claiming that it is not the role of business to promote human rights and it is still unclear how international human rights covenants directly apply to business.

The adoption in August 2003 of the “Norms on Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights” (UN Norms) is a great leap forward in defining the human rights obligations of corporations (www.businesshumanrights.org). The Sub-Commission’s taskforce held four hearings in Geneva beginning in 2000, and a wide range of stakeholders provided input, including governments, businesses, non-governmental organizations, unions and academics.

So why are the Norms such an important achievement?

Integrating fundamental human rights instruments

The UN Norms are a concise distillation of internationally agreed upon human rights instruments such as the Universal Declaration of Human Rights, the International Labour Organization’s core labor conventions, and other international agreements related to

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Factory Focus

by Manyi Yu, GA Intern

Ron Chang is the owner of Shoetown Footwear Ltd, a large factory in the Southern Guangdong province that employs more than 10,000 workers. He is one of the first Taiwanese entrepreneurs to have invested in China back in 1987 when he started Shoetown. His factory's annual production output went from 80,000 pairs of shoes to 7 million pairs. Global Alliance is among the CSR activities offered in his factory. An engineer by training, Mr. Chang is married and has three children. In this interview, he discusses Corporate Social Responsibility in China.

GA: Could you give us an idea of what kinds of CSR activities you invest in?

Ron: In the past 5 years, our CSR investments have increased steadily about 10 to 20% annually. These investments benefit both workers and the community they live in. They include health and safety training, night school, dormitory upgrades, recreational activities, medical check-ups for all employees, monthly newsletter, and improvements in community infrastructure and environment. At the community we also support educational programs, offer internships, invest in the upgrade of public facilities and have a special employment program for people with disabilities.

GA: What kinds of returns have you seen from your investment in CSR?

Ron: A more stable workforce, lower turn over, higher efficiency.

GA: Is CSR sustainable in a competitive market like China?

Ron: CSR helps the employees identify themselves with the company. Their attitudes change and a sense of ownership arises. This is crucial if any management reform is to be successful, especially the Lean Manufacturing [the term refers to a new manufacturing model] we are trying to implement.

GA: In your opinion, what can be done to make Chinese factory owners more motivated to invest in CSR?

Ron: CSR can work only if it motivates workers to take ownership of their work thus reducing management costs and increasing the competitiveness of the factory.

GA: What can the Chinese government do to make CSR more appealing to factory owners and future businessmen and women?

Ron: Stepping up the enforcement of labor laws and Education and Health Safety Standards, as well as giving tax exemptions for CSR investments.

GA: In your opinion, how can labor practices or CSR in general become sustainable?

Ron: Factory executives need to be strong in their conviction and persistent in the implementation of CSR activities. They must prove the CSR benefits for businesses, convincing management at all levels that CSR is the right thing to do and the foundation of long-term growth. They have to keep advocating it like missionaries so that it is ingrained into people's hearts and broadly supported.

GA: Has your factory established innovative CSR programs based on its own internal needs and reality?

Ron: With the construction of a "workers' village", migrant workers will have a home in Guangdong. [The Village Project is meant to facilitate migrant workers' access to *Hukou*, the Chinese term for residency status. *Hukou* entitles people to critical public service benefits, including schooling for children and access to health care.]

GA: In your opinion, what are some common misconceptions about CSR held by people who have never been to a factory?

Ron: Business people who have never been to a factory think of CSR only as an additional cost without any benefit to productivity.

GA: What is your biggest frustration when it comes to implementing CSR activities?

Ron: There is a lack of professional capacity in executing CSR programs, and therefore many workers do not feel that the company is concerned about their needs. In some programs we cannot get full support and thus cannot cultivate a more personal relationship with workers. CSR programs must also be tailored for the local situation, local culture and for the specific needs of workers. If our buyers overlook this principle, their push for CSR programs will not achieve the intended results in the factories.



PHOTO: Ron Chang with his family

perspectives

JOHN MORRISON *continued*

But it is a false dilemma to suggest that businesses must choose between their preferences for voluntarism and more binding international standards. Regulation that sets minimum standards for human rights creates a level playing field that will not allow the less scrupulous to undercut the investments of the more progressive businesses. There is nothing in the Norms that penalizes the responsible, rather they offer a base-line above which the really creative, solution-oriented work can develop using the flexibility that voluntarism allows.

'Privatizing' human rights?

The primary responsibility for upholding human rights will always lie with democratically elected governments. Businesses can do much to help governments fulfill these obligations. Yet they must not be complicit in the human rights abuses of any government unwilling or unable to fulfill their own obligations. Businesses need to ensure that their own operations fulfill the minimum requirements that the UN Norms set out and be confident that their actions are part of the solution and not the problem. This more strategic approach to corporate social responsibility does not equal the privatization of human rights. Instead, it offers businesses the confidence to be clear about when and how it should intervene to uphold human rights.

An unfair burden on small and medium-sized enterprises?

The UN Norms speak not only to multinational companies, but also small and medium enterprises (SME's) in the North and South. This does not mean that small companies should be fettered with an unfair weight of red-tape and bureaucracy, rather that the human rights responsibilities will be in direct proportion to their size. The Norms present minimum standards below which no business activity should fall.

The interpretation and operationalisation of the Norms

Businesses still have the opportunity to engage with the Norms and help refine them into something that all companies can understand and use in their daily work. Most responsible companies will be already engaged with them but may not have regarded their policies on diversity or health and safety as human rights issues. Better understanding of the Norms lie within existing voluntary efforts such as the Global Reporting Initiative. It is not the content of the Norms that should be the focus of the debate between responsible companies, but rather the process by which they are applied that needs ongoing dialogue and leadership from business, government, trade unions, and NGOs.

*John Morrison welcomes feedback from readers
and can be contacted at john.morrison@respecteurope.com*

REV. DAVID M. SCHILLING *continued*

human rights. This foundation confers significant authority to the UN Norms, covering such areas as equal opportunity, security, rights of workers, and respect for national sovereignty, consumer and environmental protection and provisions for implementation.

Defining roles

They clearly define the appropriate role of corporations as promoters of human rights "within their respective spheres of activity and influence" while affirming the primary role of government in promoting human rights and preventing abuses. Other initiatives (Global Compact and the OECD Guidelines) include respect for human rights, but do not define what this concretely means for business.

Providing a roadmap for implementation

They include recommendations for implementation, such as, adopting corporate policies consistent with the Norms, incorporating the Norms in contracts with contractors, suppliers and licensees, and establishing monitoring mechanisms, including transparent internal and independent monitoring by national, international, governmental and/or non-governmental organizations. The commentary in the UN Norms provides guidance on implementation.

Moving in the right direction

Finally, the UN Norms are an important step up from the voluntary approach to establishing corporate human rights policies. They are not legally binding, except for issues already subject to national and international law. However, they clearly state the international community's expectations of corporate behavior. Since these expectations apply to companies of all sizes, the Norms provide the framework for creating a level playing field so that the better actors are not penalized for being responsible, while competitors in the same industry neglect their human rights obligations.

The adoption of the UN Human Rights Norms is a major turning point in the promotion of human rights by business. While some in the business community—like the United States Council for International Business—have attacked the Norms from an uninformed, defensive perspective, I believe most corporations, large and small, will come to see the UN Norms as an essential resource in crafting policies and practices for creating safer and more prosperous societies.

*David Schilling welcomes feedback from any reader
and can be contacted at dschilling@iccr.org*



New GA Staff

MANJIR GHOSH, *Program Coordinator, India*

Mr. Manjir joins the GA India team with a professional background of more than 12 years of development experience in the areas of child rights, education, water supply and sanitation, and livelihood. He has worked for the Aga Khan Foundation in India, the HPS Foundation, Child Relief and You, as well as the Asian Information Marketing and Social Research institute in Delhi. Manjir holds a Masters in History from the University of Delhi and is pursuing an M.A. degree in Sociology at Madurai Kamraj University.

LI GUOZHI, *Program Coordinator, North China*

Mr. Guozhi has a strong background in both business and humanitarian work. In his most recent position he was a business consultant for the *China Post*. From 1996 to 2000 Li worked as Assistant Project Manager with the Australian Red Cross HIV/AIDS Prevention project in China. He began his professional career in the ostrich business through an international business venture spearheaded by the Yunnan Science and Technology Development Company. Li holds an M.B.A. in Finance and Telecommunications from the University of San Francisco and a B.A. in English Language and Literature from Yunnan Minorities University.

SANSANEE KOSIYA, *Country Director, Thailand*

Khun Sansee has worked for UNICEF, Thailand as a consultant on Child and Youth Participation and as Chief of Communications. Prior to that, she was for four years Group Business Development Director for the INTEGRA Group and Program Manager with the Canadian International Development Agency in Thailand. She has extensive experience working with both Thai and international NGOs. She holds a Master of Communication Arts and Sciences from Michigan State University and a B.S. in General Business and Retailing from Western Michigan University.

BHANU JOSHI,

Finance and Administration Officer, India

Mr. Bhanu joined GA in February 2004. He graduated with a Degree in Commerce and has more than a decade of experience managing Financial and MIS activities with several multinational organizations. He has also managed accounting and administrative tasks for an NGO called Business & Community Foundation.

NGUYEN NGUYEN NHU TRANG,

Country Program Coordinator, Vietnam

Ms. Trang has spent the last ten years with CARE International in Vietnam, where she was the Health Program Coordinator based in Ho Chi Minh City. Trang, who has a Masters Degree in Public Health from the Netherlands, has designed and managed some of CARE Vietnam's most innovative and successful health and community development programs.

RAFAELLA D WULANDARI (WULAN), *Finance and Administration Officer, Indonesia*

Ms. Wulan joins GA after working in the Employee Benefits Division of a private insurance company. Wulan holds a bachelor degree in Economics from Trisakti University, Jakarta, Indonesia.

New GA Board Members

Global Alliance is pleased to announce that David Hornbeck, President and CEO of the International Youth Foundation, and YouYun Zhang, Special Advisor on Women Workers to the International Labor Organization office in Beijing, have recently joined the GA Oversight Board. Both individuals bring strong credentials and an impressive professional background to the governing body of the Global Alliance at a critical time of program expansion and consolidation. Their bios are below.

DAVID HORNBECK,

President and CEO of the International Youth Foundation (IYF)

David Hornbeck became President and CEO of IYF in October 2003. Previously he served as Superintendent of the Philadelphia Public Schools for six years, and State Superintendent of Schools in Maryland for twelve years. David is Chairman of the Children's Defense Fund and the Public Education Network. He is former chairman of the Carnegie Foundation for the Advancement of Teaching, President of the Council of Chief State School Officers and has been an advisor to the Business Roundtable and numerous governments worldwide.

YOUYUN ZHANG,

Special Adviser on Women Workers to the International Labor Organization in Beijing

Ms. Youyun Zhang has worked with the ILO since the early 90s in various capacities, including Vice-Chairperson of the Board of the ILO International Training Center in Turin, Italy; Special Adviser on Women Workers' Questions; and Director of the Bureau for Gender Equality of the International Labor Office. Ms. Youyun Zhang is a career diplomat, having served her country in a variety of prominent positions, including Director General of the Department of International Cooperation in the Chinese Ministry of Labor and Counselor to the Chinese Embassy in London.

To contact GA staff, please visit our web site at www.theglobalalliance.org and then go to the *Contact Us* page.

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Business and Human Rights: Dilemmas and Solutions

Edited by Rory Sullival, Insight Investment

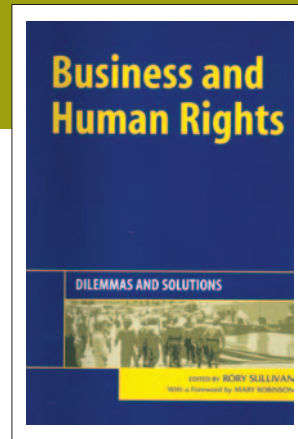
Reviewed by Beatrice M. Spadacini

This comprehensive and valuable collection of essays provides an in-depth analysis of core issues related to business practices and human rights principles. In her forward, Mary Robinson, Executive Director of the Ethical Globalization Initiative and former United Nations High Commissioner for Human Rights, draws attention to how corporate attitudes to human rights have shifted over the last decade, and companies' potential impacts on both the social and political dimensions of human existence. The notion that human rights are universal and all-encompassing is emphasized throughout the book as essays focus on the full spectrum of civil, political, economic, social and cultural rights.

Long gone are the days when businesses could just focus on making profits and minding their own business. In this book the pros and cons of business involvement in the promotion of human rights are discussed at length, starting with an overview of the historical evolution of the debate itself. Notorious scandals of corporate inaction or, worse, complicity with human right abuses are cited as the sparks that ignite change. Shell, British Petroleum, and Exxon are but a few of the companies mentioned. Ironically, they are also the ones who have made significant strides in becoming more responsible corporate citizens.

Some contributors warn about the dangers of moving the human rights debate into the economic arena. They articulate a fear that corporations, especially in countries with weak governments, could end up setting the social agenda and thus neglecting the needs of the poorest and most marginalized. The Make Your Mark Campaign launched by the Body Shop, in collaboration with Amnesty International, to protect human rights defenders raised important ethical questions about the limitations and strengths of corporate campaigning.

Among the many topics covered are the issues of a company's motivation and incentives used to promote corporate accountability.



A brief chapter is dedicated to the fascinating yet still neglected topic of shareholder activism and socially responsible investors. The fact that some 40 multinational companies have explicit policy commitments to the protection and promotion of human rights is in itself an achievement. But it is still a far cry from a genuine global commitment to responsible practices. The implementation of well-intentioned principles is clearly more challenging than previously imagined.

Two essays are worth mentioning on this issue. One deals with the issue of bribery and the role of multinational corporations in combating corruption, and the other one with the role of extractive industries operating in zones of conflict, with a focus on the case of Freeport McMoRan Copper and Gold Inc. and its Indonesian affiliate.

Of particular interest to Global Alliance is the section on human rights in supply chains, which highlights key topics such as child labor, HIV&AIDS, voluntary standards to improve workplaces, and social capital investments in the Mexican maquiladoras. Although compelling, the essays only skim the surface of these issues. The Atlanta Partnership for the elimination of child labor from the production of hand-stitched footballs provides an interesting example of how much the private sector can accomplish when it partners with experienced and specialized non-profit organizations (Save the Children UK), as well as multilateral institutions (UNICEF and International Labor Organization).

Apart from trying to cover too much, this book, like most discussions about human rights and/or corporate social responsibility, runs the risk of being Western-driven. With the exception of a scholar from Mexico and one from India, most perspectives are processed through the cognitive lenses of researchers trained in Western academic institutions. Nothing wrong with that, but it would have been more reassuring to also hear the voices of human rights activists from developing countries.

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The new GA website is up. Please come visit us and learn about activities at the global, regional and country level.

www.theglobalalliance.org



An initiative of the International Youth Foundation