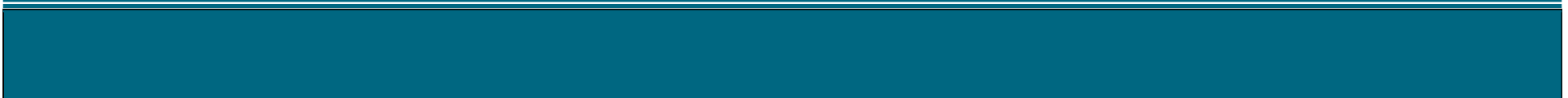# CSR in der Praxis - Die Rolle des United Nations Global Compact

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9 May 2008 - Gate e.V. Tagung 'CSR im Tourismus'
Universität Hamburg

Agenda

1 The Changing Context of Corporate Responsibility

2 One Response - The United Nations Global Compact

The Changing Context of Corporate Responsibility - 'Major Trends'

Corporate Responsibility Goes Global (Supported by Different Initiatives)
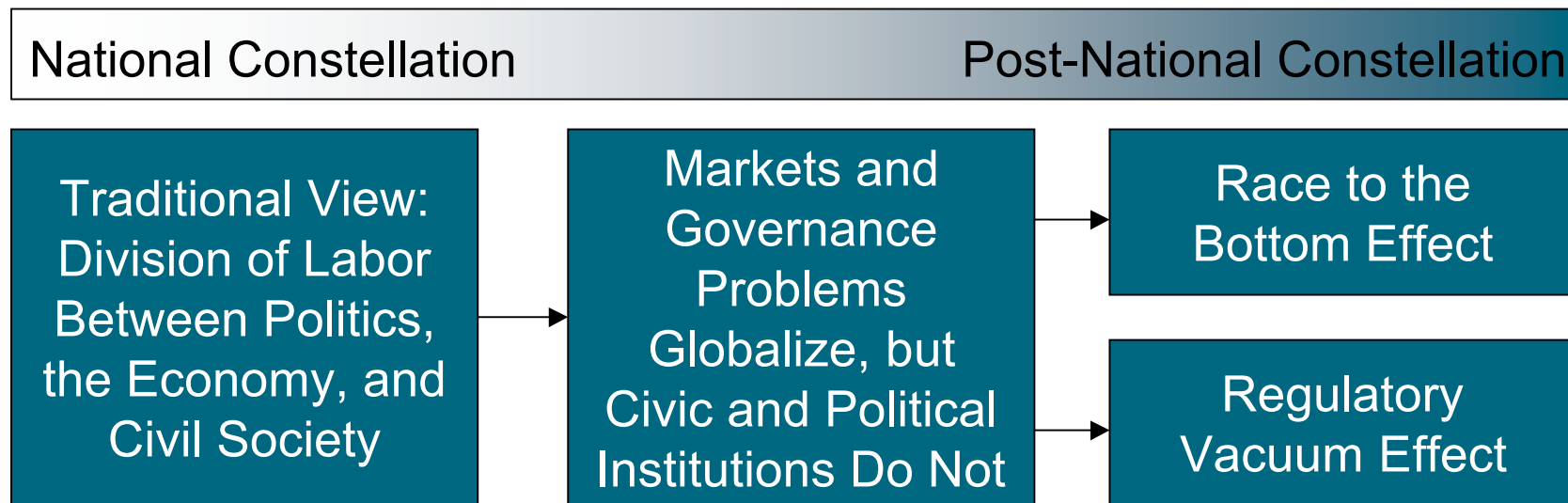
Financial Markets Recognize the Importance of CSR (e.g., *PRI*)

More Transparency and Higher Public Expectations

From Avoiding Costs to Creating Value

The Changing Context of Corporate Responsibility - 'Major Challenges'

National Constellation	Post-National Constellation

Traditional View: Division of Labor Between Politics, the Economy, and Civil Society → Markets and Governance Problems Globalize, but Civic and Political Institutions Do Not → Race to the Bottom Effect

Regulatory Vacuum Effect

The Changing Context of Corporate Responsibility - 'Major Opportunities'
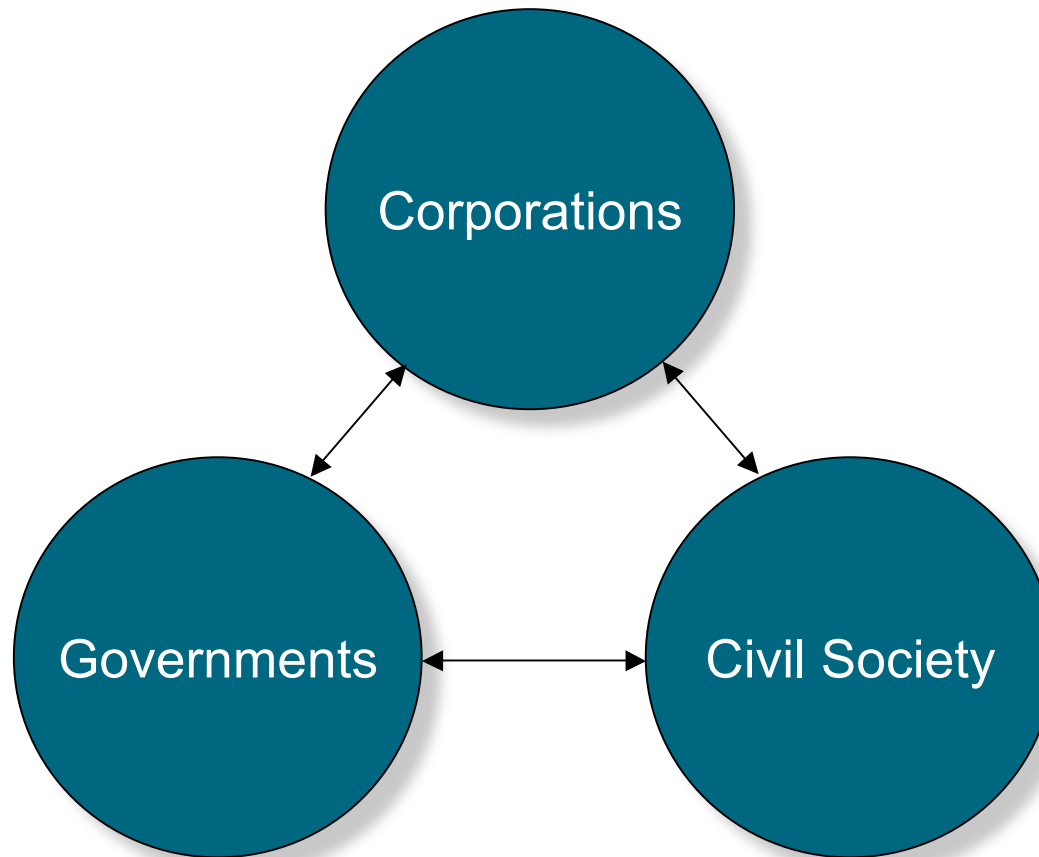
So What? - A Basic Choice

Reactive (Hard Law)	Proactive (Soft Law)
National Law & International Law	

Agenda

1 The Changing Context of Corporate Responsibility

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The Global Compact - What It Is (Not)

What It Is...	What It Is NOT...
A Value-Spaced Framework to Integrate Universal Principles into Organizational Change	A Regulative Instrument
A Multistakeholder Network Acting as a Platform for Learning and Collaboration	A Substitute for Codes/Standards
An Initiative Based on Internationally Accepted Principles	A PR-Initiative

A UN-Business Partnership

Business

United Nations

Profit
&
Growth

Building Markets

Good Governance
& Security

Environment

Global Health

Social Inclusion

Peace
&
Poverty
Reduction

Deepening Interdependencies
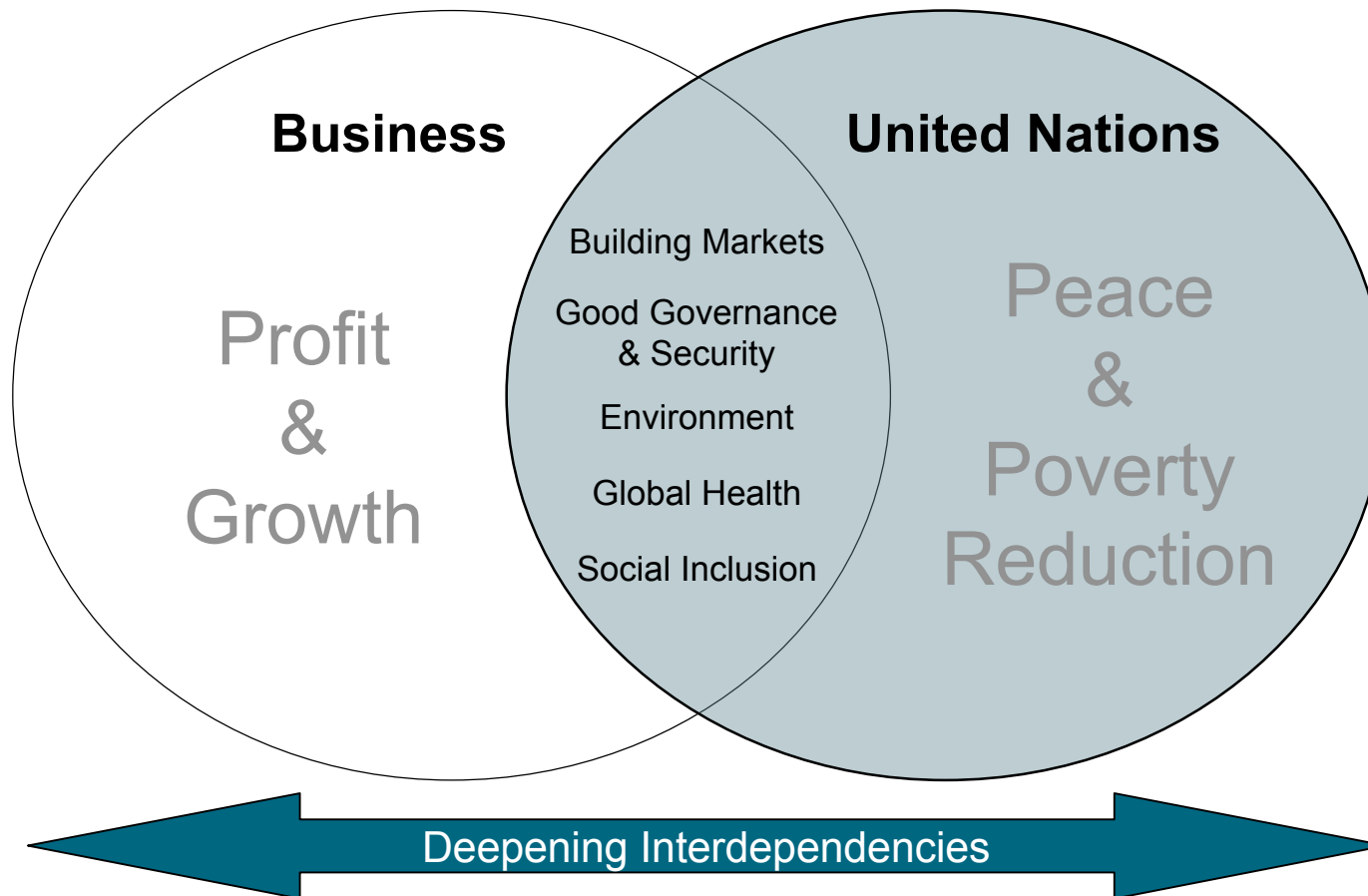
The Global Compact - An Overview

TOTAL GLOBAL COMPACT STAKEHOLDERS

■ Business ■ Non-business

COUNTRIES WITH GLOBAL COMPACT STAKEHOLDERS
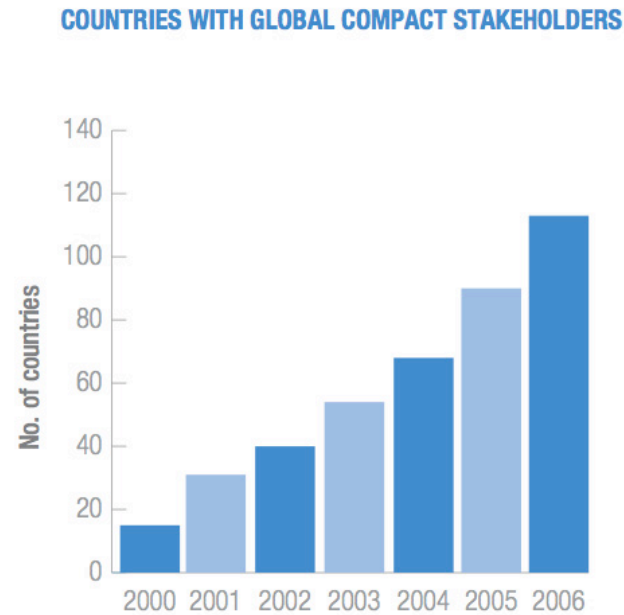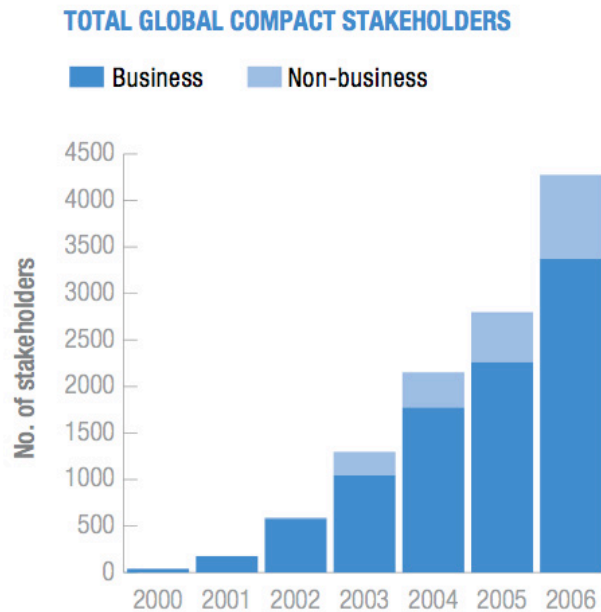
World's largest corporate citizenship initiative: 5,200 business participants & other stakeholders (e.g., NGOs, business schools) located in 116 countries.
Created in 2000 by former Secretary-General Kofi Annan.

Ten Principles for Inclusive Markets

Human Rights

Business should support and respect the protection of international human rights within their sphere of influence; and

make sure they are not complicit in human rights abuses.

Labour

Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

the elimination of all forms of forced and compulsory labour;

the effective abolition of child labour;

the elimination of discrimination in respect of employment and occupation.

Environment

Business should support a precautionary approach to environmental challenges;

undertake initiatives to promote greater environmental responsibility;

encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Business should work against all forms of corruption, including extortion and bribery.

How It 'Works' - A Multistakeholder Network

Policy Dialogues

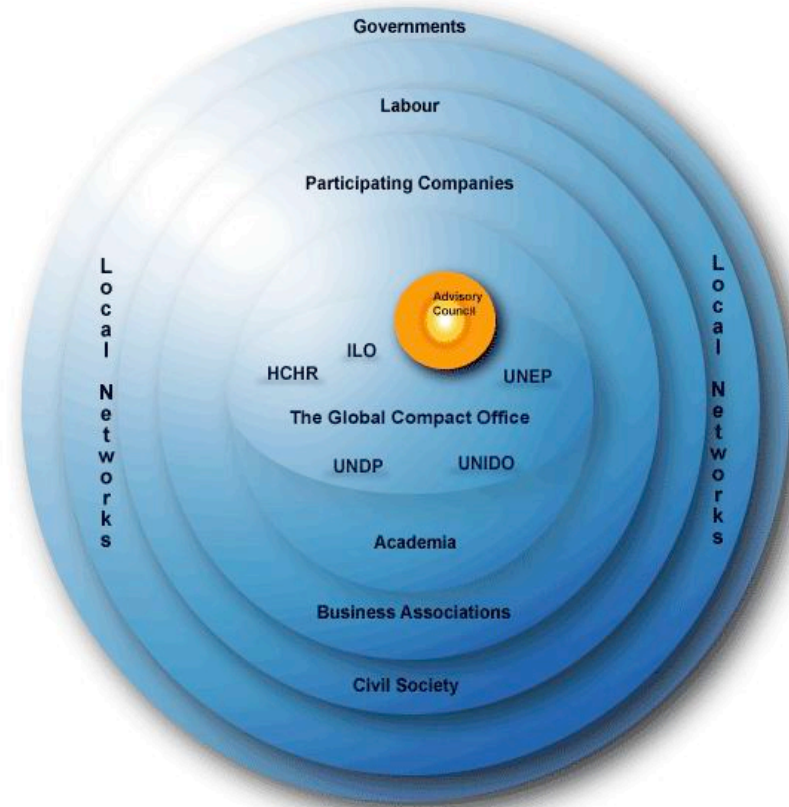Learning Events

Partnership Projects

Local Networks

Governments

Labour

Participating Companies

Local Networks

Advisory Council

ILO

HCHR UNEP

The Global Compact Office

UNDP UNIDO

Local Networks

Academia

Business Associations

Civil Society

Ensuring Accountability - Countering 'Lip-Service'

Accountability Measures Taken by the Global Compact

Communication on Progress (COP) Policy
Participants are required to submit a COP Report annually. Continuous failure to submit a report leads to delisting. COPs foster: Social Vetting/Peer Review/Public Disclosure (Market Incentives to Reward Good Performance)

Complaint Mechanism
The Global Compact has transparent means to handle credible complaints of systematic or egregious abuse of the initiative's overall aims and principles.
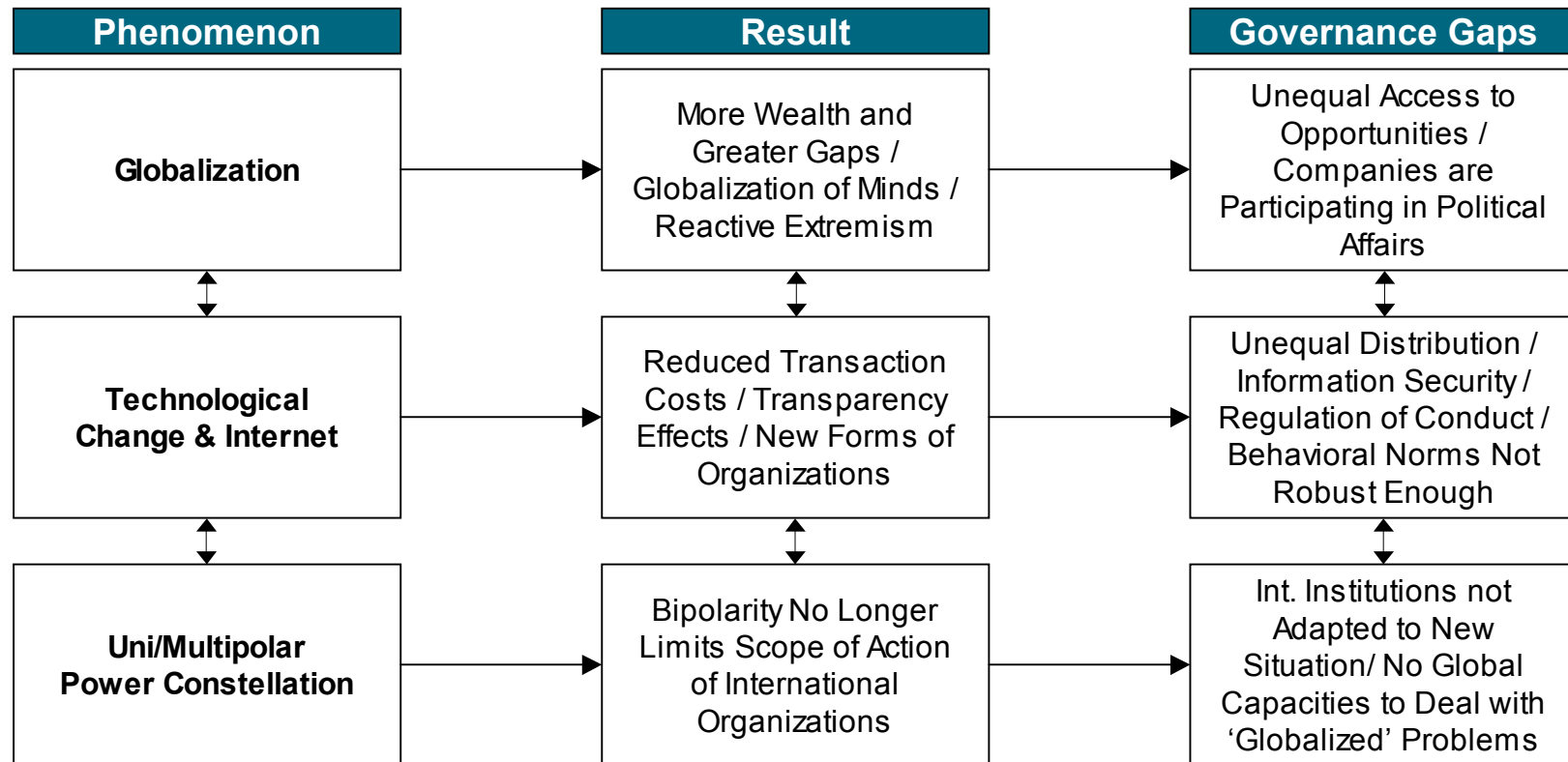
www.unglobalcompact.org

Contact: rasche@un.org

BACK UP

SLIDES

Reality Check – The Rise of Governance Gaps

Phenomenon	Result	Governance Gaps
Globalization	More Wealth and Greater Gaps / Globalization of Minds / Reactive Extremism	Unequal Access to Opportunities / Companies are Participating in Political Affairs
Technological Change & Internet	Reduced Transaction Costs / Transparency Effects / New Forms of Organizations	Unequal Distribution / Information Security / Regulation of Conduct / Behavioral Norms Not Robust Enough
Uni/Multipolar Power Constellation	Bipolarity No Longer Limits Scope of Action of International Organizations	Int. Institutions not Adapted to New Situation/ No Global Capacities to Deal with 'Globalized' Problems

Beyond Philanthropy - Corporate Responsibility 'Goes Business'

"70% of global investment managers surveyed believe that integrating environmental, social and governance issues into analysis will become mainstream in 3-10 years."
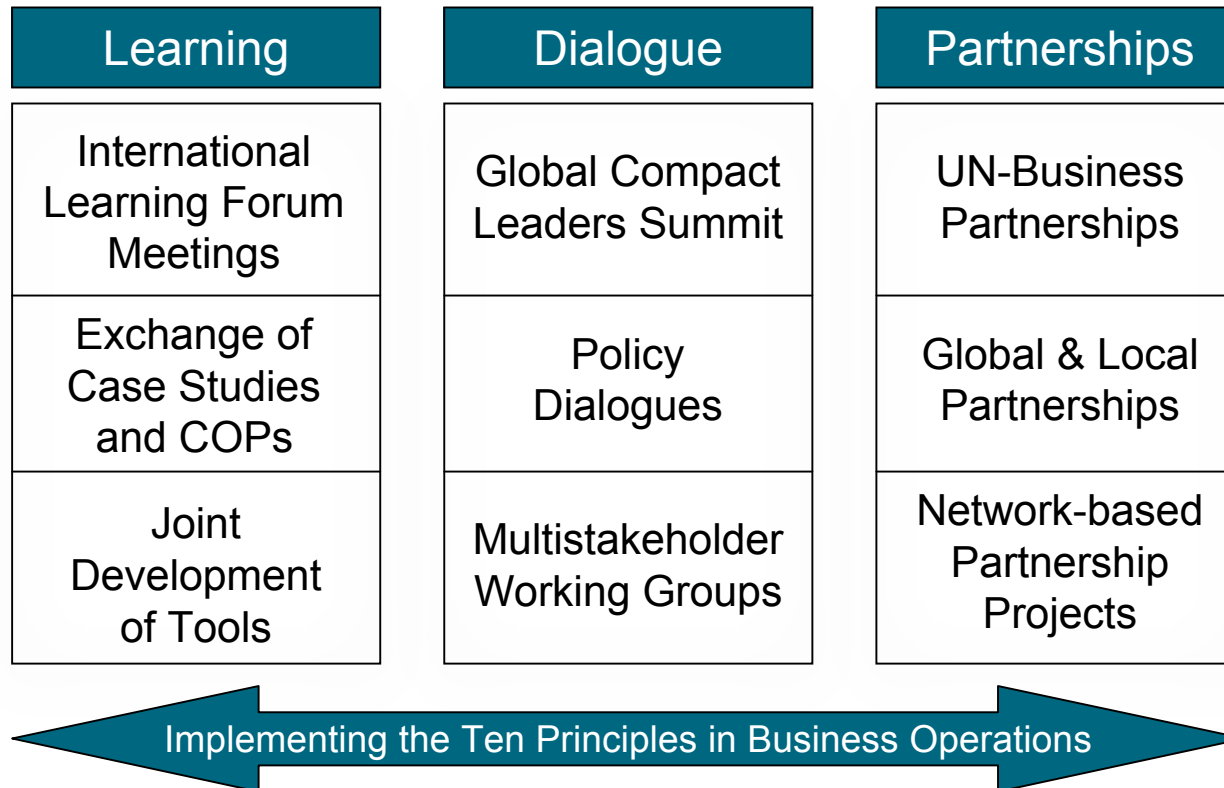
Mercer Consulting (2005)

"This is not bleeding-heart liberalism. This is about managing risks in a challenging global context."

Anthony Ling (Goldman Sachs)

"Businesses need to introduce explicit processes to make sure that social issues and emerging social forces are discussed at the highest levels as part of overall strategic planning."
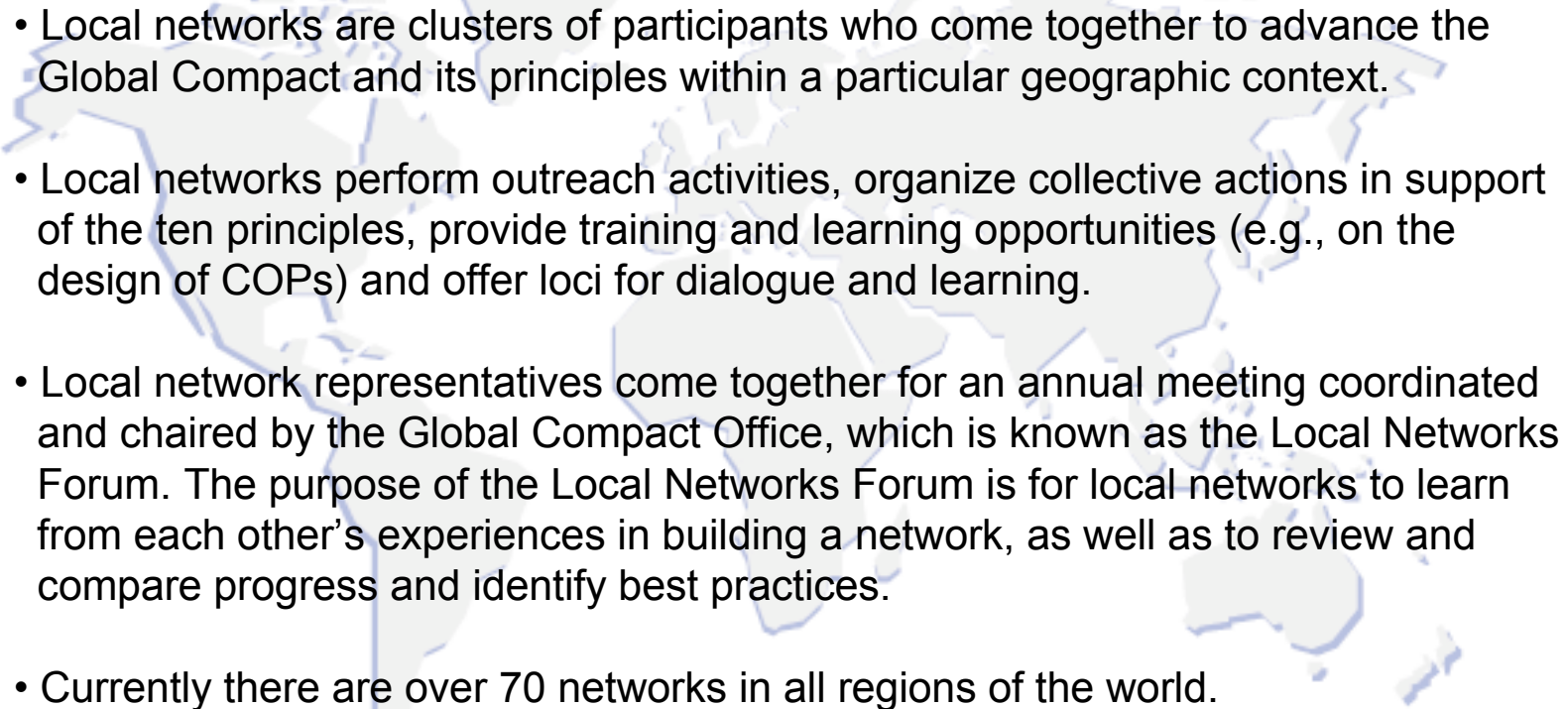
Ian Davis (McKinsey & Co.)

How the Global Compact Works - Learning, Dialogue, Partnerships

Learning	Dialogue	Partnerships
International Learning Forum Meetings	Global Compact Leaders Summit	UN-Business Partnerships
Exchange of Case Studies and COPs	Policy Dialogues	Global & Local Partnerships
Joint Development of Tools	Multistakeholder Working Groups	Network-based Partnership Projects

Implementing the Ten Principles in Business Operations

From Global Policies to Local Actions - The Role of Local Networks

- Local networks are clusters of participants who come together to advance the Global Compact and its principles within a particular geographic context.

- Local networks perform outreach activities, organize collective actions in support of the ten principles, provide training and learning opportunities (e.g., on the design of COPs) and offer loci for dialogue and learning.

- Local network representatives come together for an annual meeting coordinated and chaired by the Global Compact Office, which is known as the Local Networks Forum. The purpose of the Local Networks Forum is for local networks to learn from each other's experiences in building a network, as well as to review and compare progress and identify best practices.

- Currently there are over 70 networks in all regions of the world.

Eight Perspectives on the
Benefit of Joining the Global Compact

The 'Business Case' for the Global Compact

Investor	stronger financial performance / improved relations with investment community
Innovator	enhanced employee productivity / creative and value-added solutions
Customer	stronger relationships with community / credibility and trust / enhanced products & services
Operations	operational efficiency / reduction of transaction costs / 'ethical' supply management
Competitor	better reputation and branding vs. competitor / enhanced license to operate vs. competitor
Employee	enhanced employee relations (recruitment, motivation, retention, innovation, productivity)
Society	better relationship with community / credibility and trust in society / 'license to operate'
Change Agent	moral compass for organizational change / proactive action basis to minimize risks

Responsible Leadership -
How to Implement the Global Compact

CEO/Board Committee - Shaping Expectations

Advocacy Internal and External

Policies to Implement the Ten Principles - Strategic and Operational

Reach of Implementation - Subsidiaries and Supply Chain

Actions to Support UN Goals

Continuous Communication on Progress