

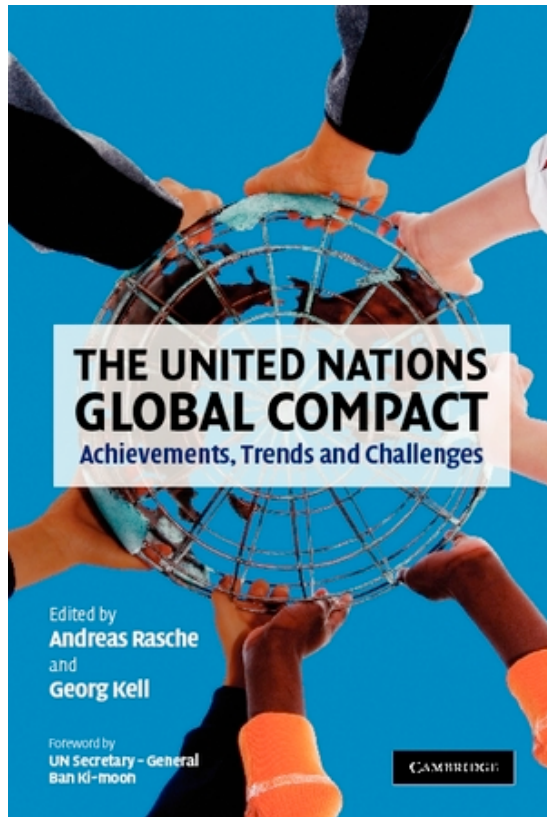
University of Cambridge

The UN Global Compact (2000-2010) – What Has Been Achieved?

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1 December 2010

Background



- Tenth anniversary of UN Global Compact in 2010
- Need for a Book which Reviews the Initiative and its Activities
- Multiple Stakeholders as Authors: Academics, Business, UN, NGOs, Unions, Governments
- Common Thread: Achievements, Trends and Challenges
- Reflect on Main Pillars of the Initiative (e.g. Local Networks, Reporting Policy)

Agenda

1

**The UN Global Compact – What It Is (Not) and
Where It Comes From**

2

Ten Years UN Global Compact – Retrospect and
Prospect

UN-Business Relations – From Code of Conduct to Global Compact

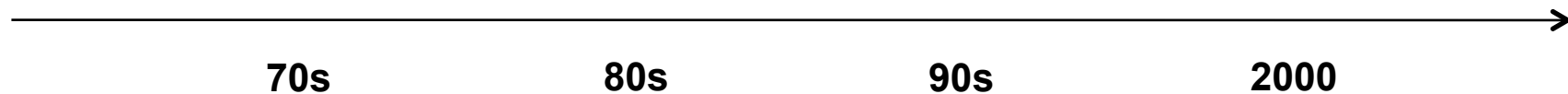


UN Global
Compact
(2000 onwards)

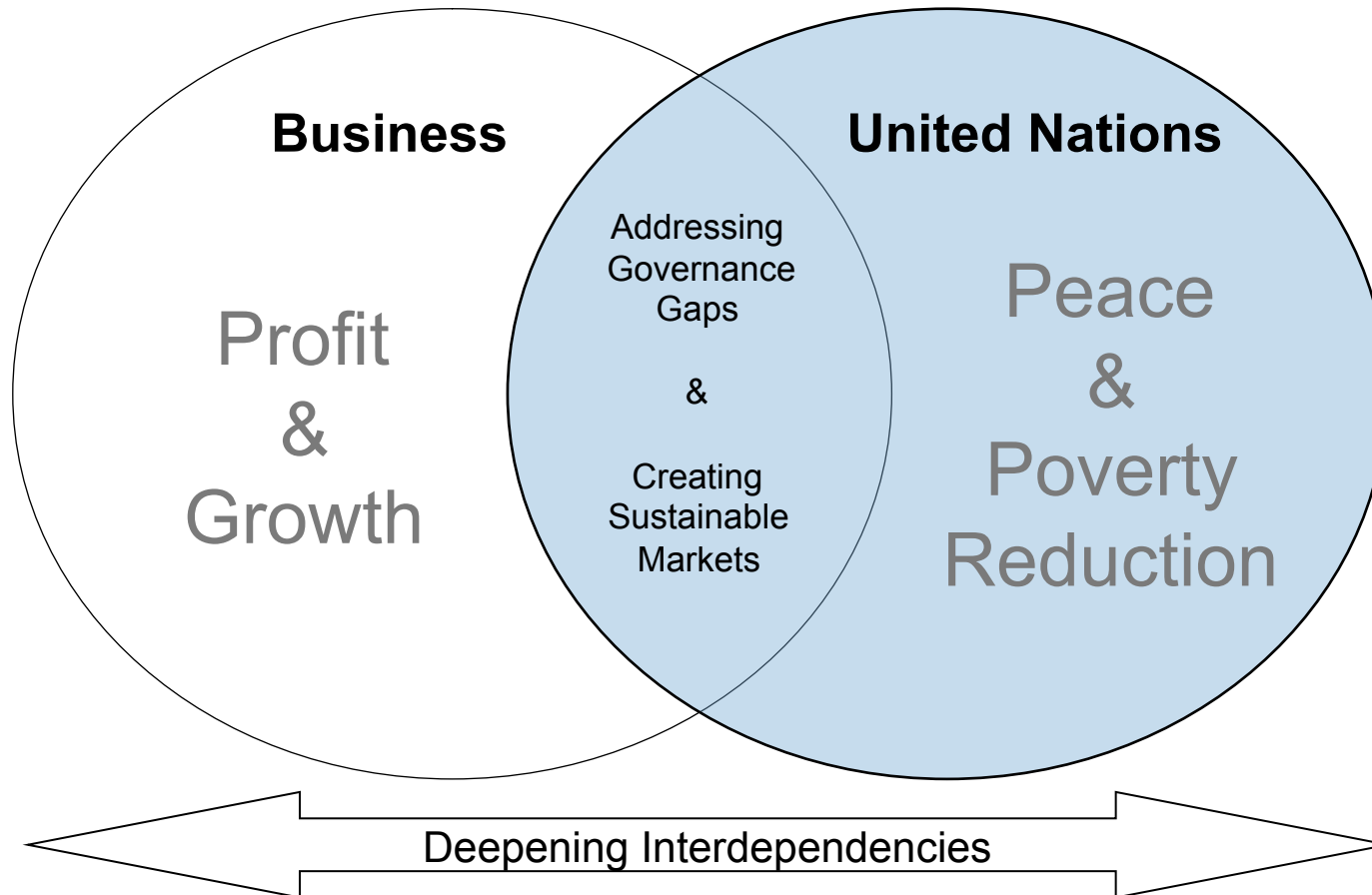
UN Center
on TNCs
(1975-1992)

Final Rejection
of Code
(1992)

Group of Eminent
Persons (GEP)
(1972-1974)



The UN Global Compact - An Initiative Based on Partnership



The Global Compact is Based on Ten Universal Principles

Human Rights

Business should support and respect the protection of international human rights; and make sure they are not complicit in human rights abuses.

Labour Rights

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 labor;
the effective abolition of child labor;
the elimination of discrimination in respect of employment and occupation.

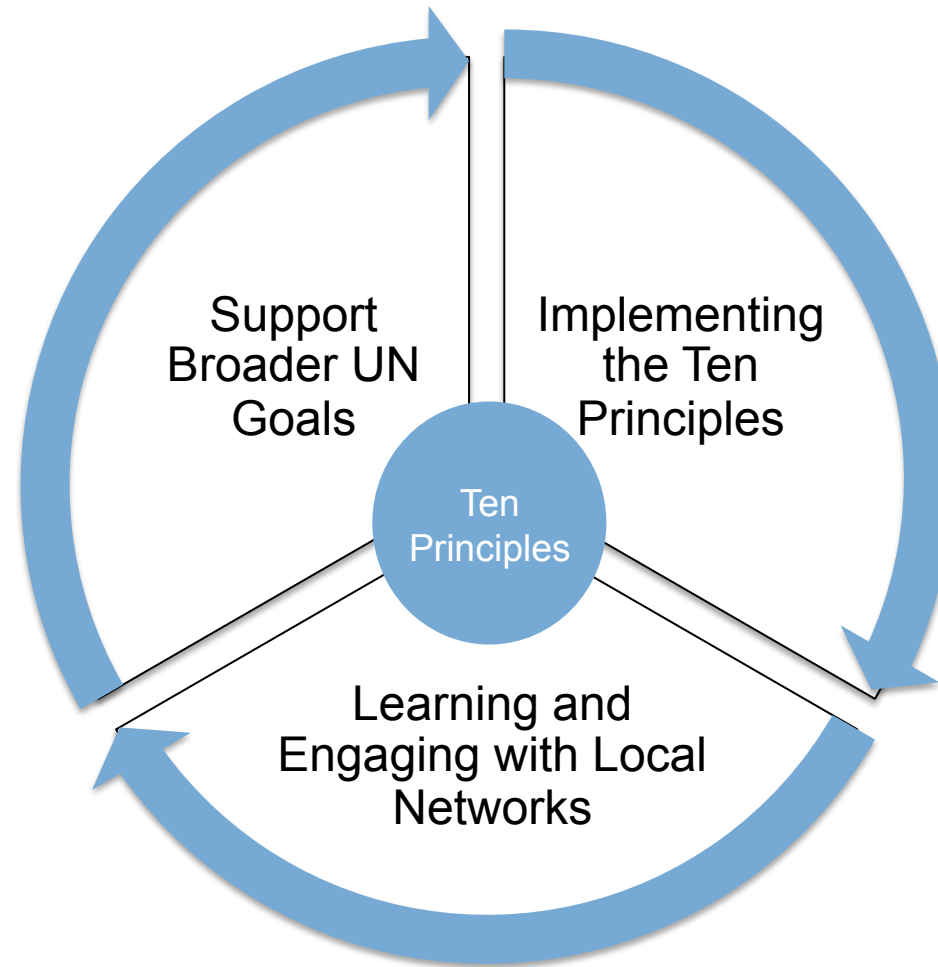
Environment

Business should support a precautionary approach to environmental challenges;
undertake initiatives to promote greater environmental responsibility; and
encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

The Ten Principles in Action – Learning, Implementation,



The Global Compact in 2010 – Some Key Facts

- 1 Over 6200 active business participants in over 130 countries
- 2 Delisted Participants (until October 2010): over 1600
- 3 2300 non-business participants from NGOs, academia, and labour
- 4 Almost equal representation in developed and developing world
- 5 50% of businesses are small and medium-sized enterprises (SMEs)

Ensuring Accountability – The Communication on Progress (COP) Policy

Accountability

- Requires “answerability” to stakeholders about actions and omissions
- Often achieved through auditing and reporting of social and environmental performance

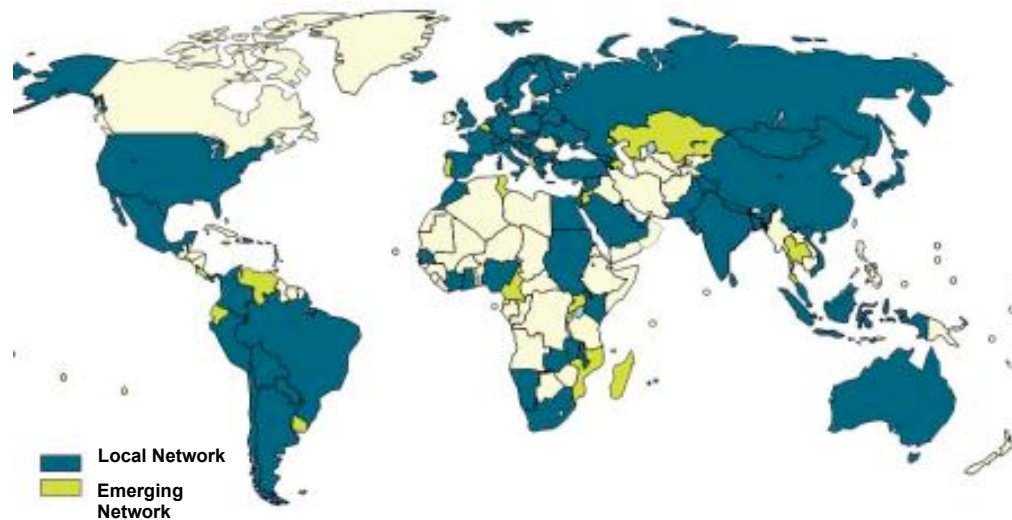
COPs

- Participants are required to submit a COP Report annually. Failure to submit a report leads to delisting.
- Problem: missing standardization and benchmarking

COP Effects

- COPs are supposed to foster “social vetting” mechanisms (e.g. by investors, academics, NGOs)
- Uncertainty around whether “social vetting” works

Local Networks – Too Much Outreach, Limited Collective Action



Local Networks are *clusters of participants* who come together to advance the Global Compact and its Principles within a particular geographic context; currently in 70 countries (plus 22 emerging networks).

Current Status of Local Networks:

- Rapid development – much outreach & COP-related activities,
- Still limited in terms of partnerships and collective action, and
- Much focus on: environment, labor and human rights (anti-corruption not much discussed)

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The UN Global Compact – What It Is and
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**Ten Years UN Global Compact – What
Has Been Achieved?**

The Key Pillars of the Debate on the Global Compact

	“Contra” UNGC	“Pro” UNGC
UN Capture?	UNGC offers business an opportunity to capture UN agenda	UNGC is not the only UN-business partnership / corporations are already political actors
Vague Principles?	Principles miss precision and therefore offer no clear guidance for implementation	UNGC is a <i>worldwide</i> network / creation and exchange of ‘good corporate practices’
Missing Accountability?	UNGC does not independently monitor and verify compliance with its principles	Missing financial and logistical resources for monitoring / missing political mandate

Retrospect – A (Selective) Look Back

Transforming UN-Business Relations

- From code (UNCTC) to Compact (UNGC)
- From confrontation to collaboration

Agenda Setting for Corporate Responsibility

- Inclusion of SMEs into the debate
- Outreach to BRIC economies (esp. China and India)

Serious Implementation Gaps

- Implementation still focused on “project work”
- Implementation focused on HQ / missing outreach

Promotion of Networked Governance

- Local networks as “discursive spaces”
- Inter-network couplings remain too loose

Prospect – A (Selective) Look Ahead

Scaling up Solutions

- Let firms commit to “implementation levels”
- Include governments better (as “translators”)

Forming Alliances

- Foster alliances among existing initiatives
- Reduce ambiguity in “market for standards”

Advancing Annual Reporting

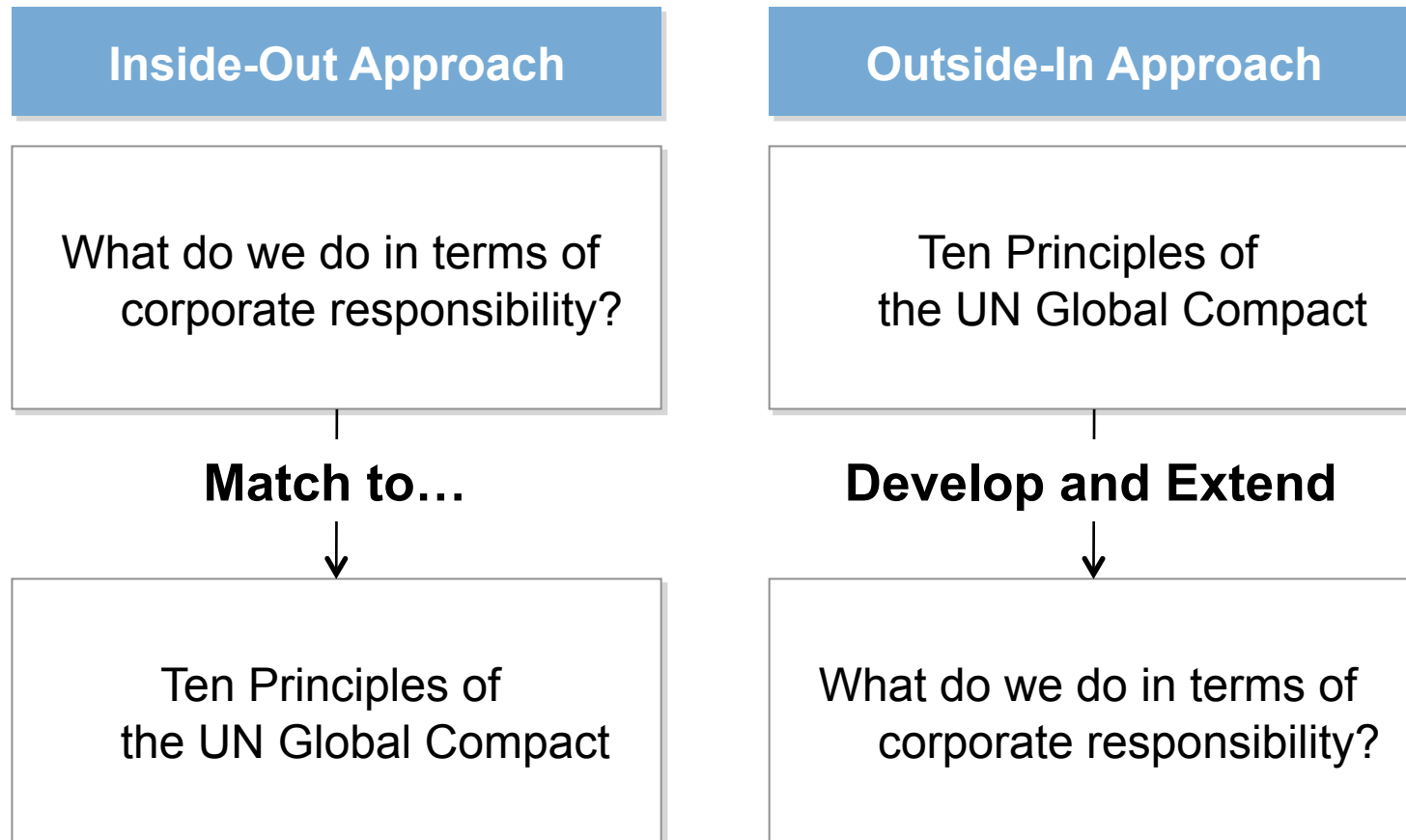
- Consider differences in firms’ reporting environment
- Ensure better comparability of annual reports

Balance Quantity and Quality of Growth

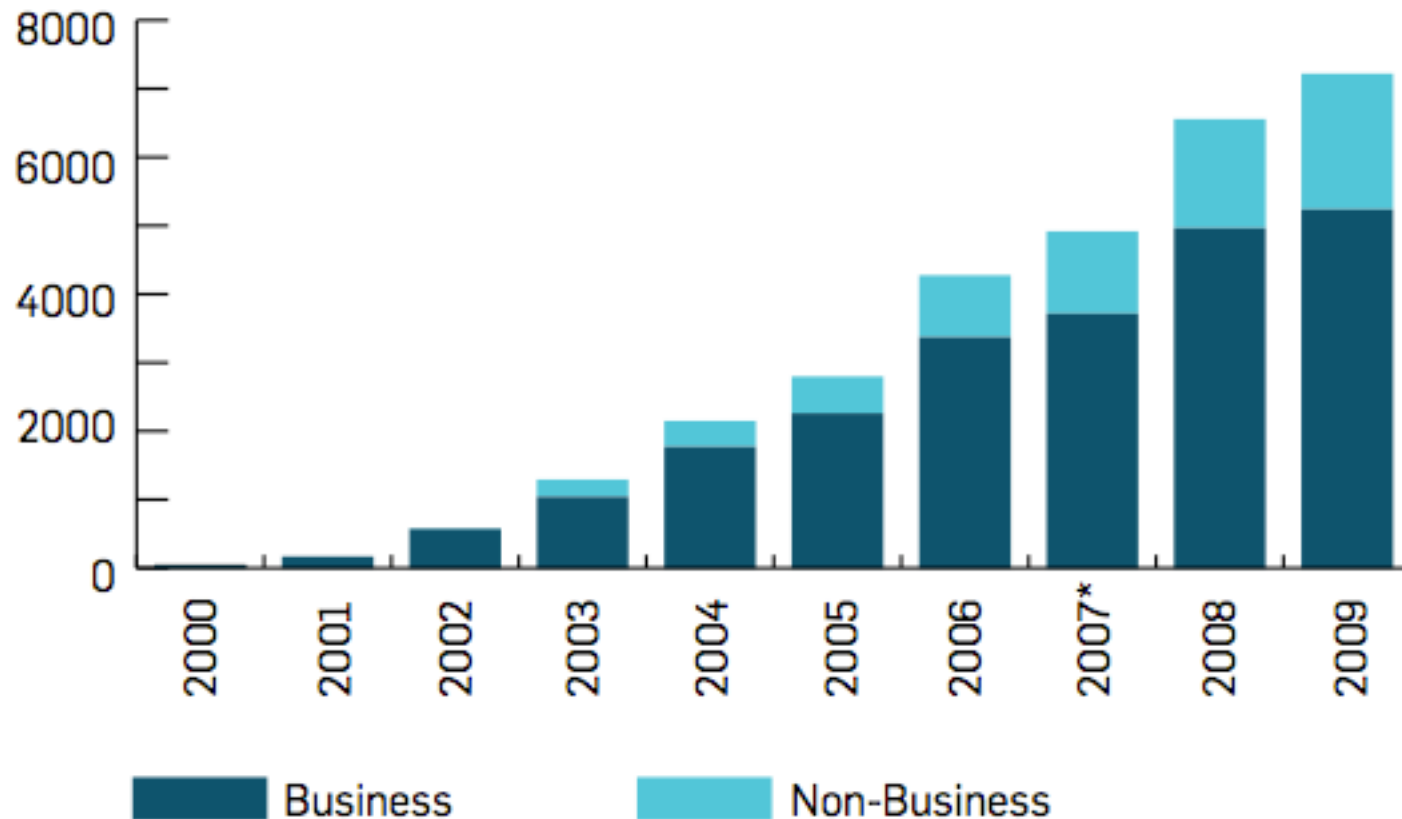
- Engaging deeper with participants (e.g. networks)
- Match growth with resources

Back-Up Slides

Implementation of the Ten Principles – From Inside/Out to Outside/In

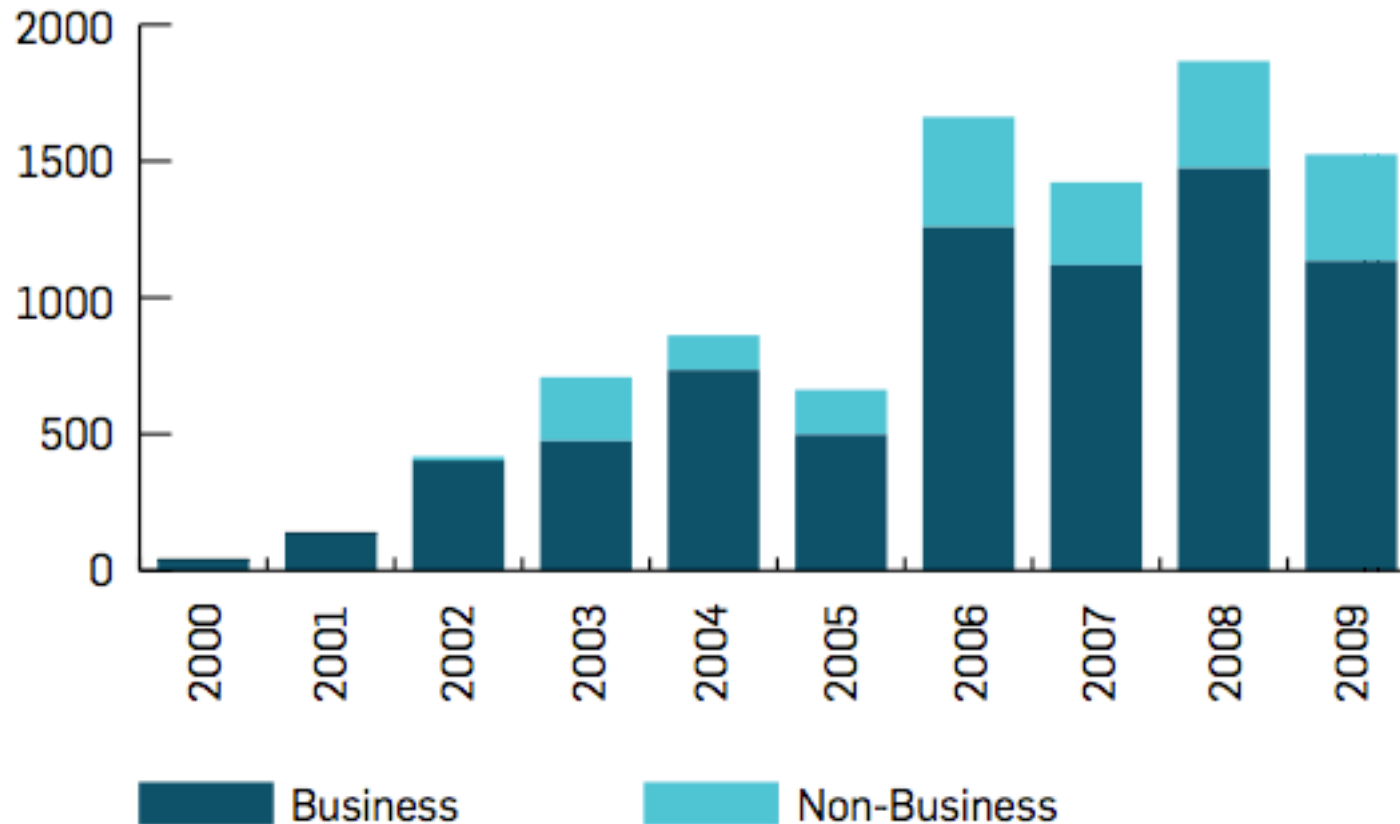


Number of Participants (2000-2010)



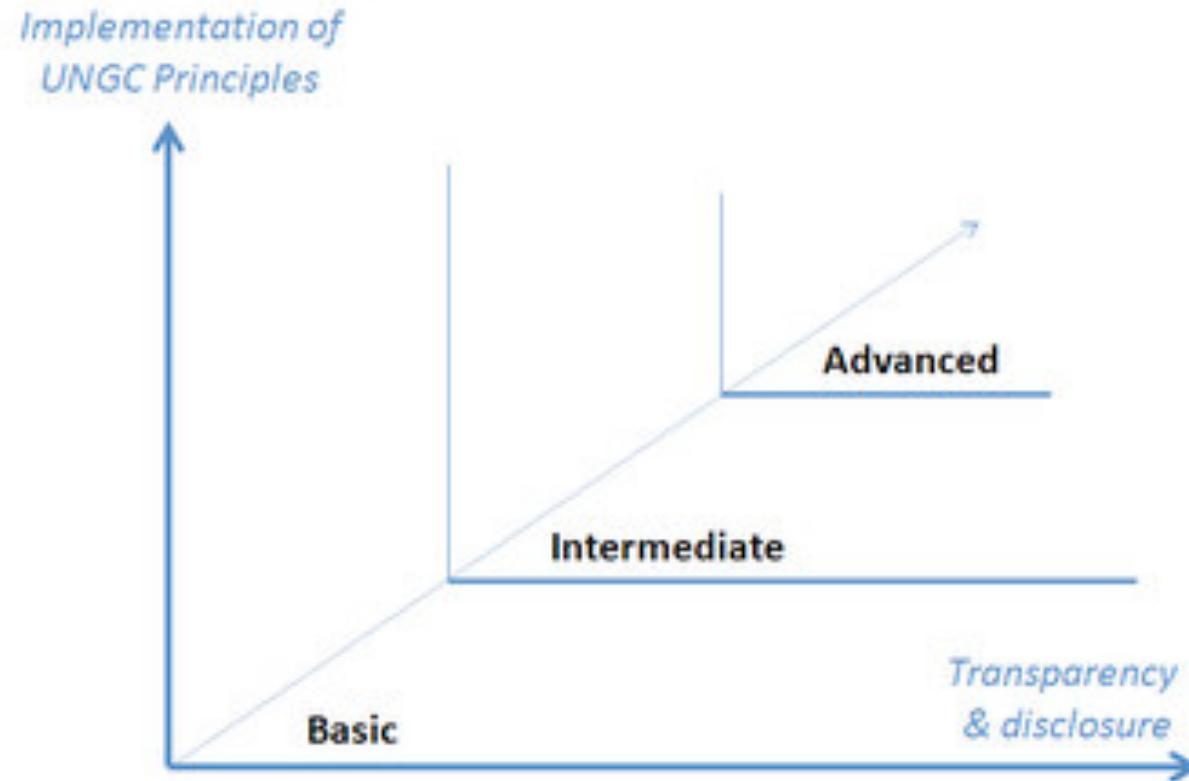
Source: Global Compact Annual Review 2010.

Number of New Participants (2000-2010)



Source: Global Compact Annual Review 2010.

Global Compact Differentiation Framework



Source: Global Compact Website.