

## **Earth Summit 2002 online debate at [www.lifeonline.org/debate](http://www.lifeonline.org/debate): 'What should Earth Summit 2002 be trying to achieve?'**

### **Summary of the debate of week 4 (24 - 28 September 2001):**

How can multi-national companies be influenced to adopt corporate citizenship and accountability for sustainable development? Who are the key actors and what are the main barriers? What strategies could Earth Summit 2002 develop to address this issue?

### **Purpose and structure of the debate**

Ten years after the 1992 Earth Summit in Rio, the world's nations will gather again in Johannesburg next September to review progress and plan for the future. Preparations for the World Summit on Sustainable Development 2002 are well under way, emphasising a transparent and participatory approach.

The debate was part of [www.lifeonline.org](http://www.lifeonline.org) - a multi-media initiative exploring the impact of globalisation on the poverty and social development agenda of the Istanbul +5 meeting in June 2001, as well as the upcoming 10-year review of the 1992 Earth Summit. This electronic forum was aimed at initiating a focused and constructive public discussion on some of the priority issues. People were invited to share their ideas, knowledge and diverse perspectives.

The report, incl. the summaries of all four weeks, will be widely disseminated to policy-makers and all other interested stakeholders engaged in the 2<sup>nd</sup> PrepCom of the World Summit on Sustainable Development (New York, January 2002).

To download the pdf or txt version, please go to [www.earthsummit2002.org/es/life/default.htm](http://www.earthsummit2002.org/es/life/default.htm)

### **Moderation process**

The debate was moderated by Jasmin Enayati, UNED Forum ([www.unedforum.org](http://www.unedforum.org)) with support from *Lifeonline* partners One World, TVE, and PANOS.

The purpose of moderation was to keep the volume of material posted to a manageable size (max. 10 messages per day), as well as to ensure observance of the ground rules. In addition to the ground rules, the criteria we considered were: relevance; substance of contributions; concreteness of argument; and constructive tone.

### **Summary**

The following is an attempt to summarise and give an impression of the arguments as they developed through the debate, using mainly selections from the submissions.

Where possible, the name, organisation and nationality of the contributor will be given.

### **Initial contributions**

We had invited three key actors to contribute initial articles for the debate:

Jim Baker, Director Multi-national Enterprises, ICFTU (International Conference of Free Trade Unions), Belgium

John Elkington, Chair of SustainAbility and the Environment Foundation, UK

Pieter van der Gaag, Executive Director, ANPED (The Northern Alliance for Sustainability), Netherlands

### **Thanks**

Thanks to these three authors and all the other participants for making this debate happen and putting their time and effort into it.

## Introduction

Contributions to the debate focused on a number of tools for corporate accountability we already have; such as OECD Guidelines for Multinational Enterprises and the UN Global Compact. Key issues that were discussed included corporate voluntary initiatives, and international regulatory frameworks, as well as a combination of regulation and shared responsibilities to build effective partnerships for corporate accountability. Other key issues were the Global Deal and the concept of environmental brand labelling. Following on from that, the roles and responsibilities of key actors were identified. The main barriers to achieving corporate accountability were discussed as well as good models of how to overcome them; the barriers included issues such as the dominant business paradigm of profit; the stockholder model of raising capital; and the current legislation about the tax deductibility of costs of living; the question of globalisation was looked at from different angles. Several examples of good models for furthering corporate responsibility were suggested, ranging from a symbiosis between for-profit and not-for-profit corporations and government to a sustainability ranking list. Recommendations for the Earth Summit 2002 include both, strengthening of existing, as well as developing new frameworks.

## Background

“Markets cannot take care of everything and... the developments in the social domains are lagging. Market economies generally respond well to effective demand, but they are considerably less efficient where it comes to responding to need. This inefficiency points to a fundamental shortfall of market economy philosophy: the failure to address needs. To soften negative impacts of the current era of market rule, governments will have to govern more to close the gap left by the unbridled belief in the effectiveness of market forces...

Governments are often no longer in a position to put the required regulations in place without exposing itself to various retributions. The vested interests are too powerful and the perceived need to keep the national economy afloat, even at the expense of future generations is considerable. As a result, much of the reigning economic and political practice is based on the immediate rather than the future for the serious political changes and short-term risks that effective regulation would require. It is for this reason that we cannot rely entirely on governmental regulation to solve the issues.”

(Urban Secretariat of UNCHS (Habitat))

## What tools for corporate accountability have we got

*“In addition to earlier tools such as environmental and social impact assessment techniques, we have seen the spread of auditing, life cycle and supply chain management, and stakeholder engagement tools. There has also been progress in the area of socially responsible investing (SRI), with an array of company and sector screening tools now available. Often, these tools have been developed by small funds, but increasingly they are being adopted by much larger and increasingly mainstream funds.”*

(John Elkington, Chair of SustainAbility and The Environment Foundation, UK)

At the global level, serious efforts are emerging to encourage positive corporate policies. Some existing regulations include

a) the OECD Guidelines for Multinational Enterprises – a non-binding set of standards and principles with an extensive global implementation mechanism:

*“The **OECD Guidelines for Multinational Enterprises**, revised last year, cover the areas of human rights, workers’ rights, and the environment as well as other aspects of corporate behaviour. They reflect the expectations of governments and include the possibility for governments to intervene concerning corporate conduct through National Contact Points that must be established by adhering country governments. They apply whether or not a company has adopted its own code. This instrument needs to be more widely known and could be central to building corporate action that contributes to sustainable development.”*

(Jim Baker, International Confederation of Free Trade Unions (ICFTU), Belgium)

b) the set of principles of the **UN Global Compact** that, according to Pieter van der Gaag (ANPED, Netherlands) is “destined to fail, if its implementation side is not dramatically improved.”

*“The UN Global Compact is a process rather than a code of conduct, but it is based on nine principles that also cover human rights, workers’ rights and the environment. The process of dialogue can help produce commitments and agreements that are more binding than unilateral declarations because they reflect a relationship in which companies have interlocutors. There are more than **10 framework agreements** between International Trade Secretariats (ITS), grouping unions by sector and occupation, and major multinational enterprises. One of them, the agreement between ICEM (the ITS representing workers in oil, mining, chemicals and some other sectors), and Statoil, the Norwegian based oil company, takes on board all of the Compact principles, including the principles on the environment that came out of Rio.”*

(Jim Baker, International Confederation of Free Trade Unions (ICFTU), Belgium)

However, not all believe that the existing frameworks are enough to deal with the challenges:

*“There are no legal instruments or agencies that are present or capable of regulating the TNCs. In the reorganisation of the UN, the Centre on Transnational Corporations was closed down and the Code of Conduct that the UN had prepared for TNCs has disappeared. Today, we have the Business Council for Sustainable Development advocating sustainable business in a tremendous milieu of inequality. Poverty need not take so long to wipe out given the current world resources of knowledge, technology and capital. The North has given more importance to green consumerism than the social justice to be accorded to the workers and nations of the South. Free market and the global deal that are being bandied by the North now are only lipservice that will not make the required opening up of Northern markets. Financial resources are flowing to a handful of relatively wealthy developing countries where more cash returns can be quickly generated.”*

(Mohan Mathews, Denmark)

## Key issues

**Corporate voluntary initiatives** have a crucial role to play in achieving corporate social responsibility. However, voluntary initiatives alone won’t suffice to change corporate behaviour – either on the national or the global level. The faith in market instruments and deregulation is crumbling.

**International regulatory frameworks** with respect to social and environmental issues have to be the basis from which voluntary initiatives can emerge:

*“...in the context of globalisation, one should draw on the experience at the national level. There is not a country in the course of human history where workers’ rights and the environment have been adequately protected without an important role for government and other actors... a legal framework ... effectively encourages private initiatives based on rights. The same applies to the environment where private initiative works best in the context of policy, objectives and certain legal obligations.”*

(Jim Baker, International Confederation of Free Trade Unions (ICFTU), Belgium)

*“corporate entities are, through their sheer size, might, and organising capacity of citizens, a vital actor to have on board while transforming society to a sustainable one. Indeed a great deal of our attention SHOULD be paid to providing the framework conditions- involving voluntary and regulatory mechanisms”*

(Pieter van der Gaag, ANPED, the Northern Alliance for Sustainability, Netherlands)

Howard Mollett of Friends of the Earth Switzerland strongly urges the UN and governments to use the WSSD and UN Financing for Development talks to determine a modality within the UN system for negotiating obligations on corporate investors. A corporate accountability mechanism should include increased incentives (implying removing the current incentives for companies to externalise their costs); reporting requirements to ensure that the investor both identifies and discloses its impacts on society and the environment; directors of public limited or stock-market listed companies as liable to prosecution for corporate crimes that would build on existing mechanisms of corporate governance; and mechanisms whereby adversely affected stakeholders could obtain redress.

However, one contributor argues that the international social accountability norms and auditing merit as much assessment as do the corporate practices they seek to evaluate:

*“much of the burden of accountability is transferred to the suppliers in the South, and eventually to the workers themselves... the catch is financial commitment. Who will pay for the changes? More often than not, buyers' accountability initiatives (read impositions) for their suppliers come with little or no financial backing. And the suppliers are as motivated by profits as buyers. So the burden of change is transferred to the workers themselves, through retrenchments, firing of child workers, etc.”*

(Y. Nagraj, India)

Other contributors suggest a **concept of shared responsibilities** between the private sector and governments:

*“a private-public approach, in which governments set the outcomes and tell companies what they need to tell the rest of us, and then leave it up to the companies to find the best ways to comply.”*

(Naomi Roht-Arriaza, Human Rights Advocates, USA)

This view is supported by the Urban Secretariat of UNCHS (Habitat):

*“A combination between regulation and shared responsibility is perhaps the most feasible direction to go. When responsibility is shared between the public and private sectors and/or among the different industry actors along the product chain, the key is to shift sufficient responsibility, through regulation and under public opinion pressure, to those with the greatest potential to trigger the actions toward more sustainable patterns of resource use and waste production.”*

The private sector can be an effective agent of social change and make a positive contribution within its sphere of influence. In addition to voluntary codes of conduct and regulatory frameworks, a **shared commitment to building effective partnerships** should be strengthened:

*“I believe that previous attempts to convince multinationals to embrace the principles of sustainable development have met with limited success partially due to the fact that advocates for greater equity and social justice have been unable to present a sufficiently compelling argument in terms easily understood by businessmen, such as a balance sheet on the cost and benefits of implementing sustainable policies and programs. This, combined with limited receptivity on the part of CEOs to venture into unfamiliar territory, has created the perception that MNCs are generally irresponsible in their conduct and unaccountable to anyone except the shareholder... I believe that greater effort should be invested in identifying ... factors that could act as an incentive for MNCs to mainstream sustainable development into their management systems. This could include recognition by their peers, communities, governments or the media that acknowledges the contribution a MNC has made to sustainable development. Other options may include leveraging matching sources of funding which would allow successful models of corporate citizenship to be expanded and aligned with national or regional programs.”*

(Richard Smith, Sr. Development Specialist, Golder Associates, Canada)

*“The macro level issue is reliability. I am sure that IEC (International Electrotechnical Commission), ITU (International Telecommunication Union) and ISO (International Organization for Standardization) are waiting the ES 2002 result for further harmonization. Stakeholders are the key actors. The micro level issues is cooperative intellectual property to replace any secretive trade of private co-generation. In terms of institutional forms, Indonesia, [for example] consists of public intellectual property (i.e. architect, state owned firms and other professional path), private intellectual property (i.e. contractor, private firms and other competitive path) and lately cooperative intellectual property (i.e. construction management, cooperatives and other moderate path)... By means of cooperative intellectual property public and private companies produce a corporate citizenship and accountability for sustainable development.”*

(Tjahjokartiko Gondokusumo, CHP Cooperative, Indonesia)

To achieve this we need to learn speaking the same “language” and a continuous dialogue between the various actors needs to be established, as emphasized by many contributors.

Other contributors mention a new **"Global Deal"**, ie sustainable development legislation, in which leading corporate actors, civil society organisations and governments would negotiate a binding **international convention** on some of the key issues:

*“How could such a process, which would run counter-current to a traditional view of international law today (states as the only bearers of rights and duties, therefore capable of being Parties to accords) and be different from existing initiatives..., lead to strong binding effective rules? Would a simple expansion of the concept of international sustainable-development related crimes be as useful?”*

(Marie-Claire Cordonier Segger, Director, CISDL, Canada)

According to Pieter van der Gaag, ANPED, Netherlands, the Global Deal opens up real possibilities to start a meaningful process that would improve the work started with the Global Compact – i.e. introduce the involvement of other stakeholders in its design, and insert accountability mechanisms.

Mitch Gold (International Association of Educators for World Peace) suggests to **brand label** the process of moving towards a Culture of Peace: all corporations that comply with Generally Accepted Standards on Corporate Citizenship, and Accounting for Sustainable Development will be permitted to use the homeplanet.org brand label. An operational plan - the 1% solution - includes the employment of trained accountants (Global Accountants) and a trainer program, which would be implemented through the education system, municipal governments, sports and entertainment arena and the spiritual communities.

Along the same lines, Marlon M. Cardinosa (PhD, Environmental Management and Development, Canada) suggests that such labelling should be certified by an authorised independent body. However, there has been concern that existing standards and guideline documents (such as ISO 14001 and ISO 9000) set by the International Standard's Organization (ISO) should be strengthened rather than creating new procedures.

### What are the roles and responsibilities of key actors?

First of all, the investors / MNCs themselves have responsibilities and obligations. They should:

*"respect ILO convention covering basic worker's rights; be made to observe UN Human Rights Declaration as well as the International Environmental Conventions (failure of this is leading to neglect of the rules and regulations governing forests, water and wetland resources); invest more resources (technical and financial) to ensure implementation of worthwhile environmental and social impact assessments and hearings of the local /affected persons before proposed projects are undertaken...; show plans and intentions to reinvest profits / minimise capital transfer to home country; and they should respect national government laws (this is where an International Overseer institution is clearly lacking and urgently needed)."*

(Kimbowa Richard, Programme Officer (Agric and Forestry), Joint Energy and Environment Projects, Uganda)

Other key actors include consumers; government and regulators; employees, executives and shop floor:

*"A fundamental conscience change needs to happen at senior managerial level and generally in the scientific paradigm used by Western societies. Our Muslim brothers and sisters, have something to teach us. Values need to be related to economic mechanisms... "Shareholder value" needs to be understood in a more systemic way... We individually must take ownership and responsibility and I would focus resources on facilitating that individual responsibility, through associations, NGOs and trade unions."*

(Veronique Raingeval, England):

To achieve sustainable change, all stakeholders have to play their part and act in concert:

*"Governments - new institutions and processes of global and corporate governance must be introduced. Meanwhile, more NGOs must learn how to play a multi-dimensional game, pressuring poor corporate performers - but simultaneously working out how to partner with companies committed to real change. The role of the media will be pivotal. If the media penalise failures, but fail to celebrate early successes, the process will slow or stall."*

(John Elkington, Chair of SustainAbility and The Environment Foundation, UK)

How could one employ the **media** to influence MNCs to move toward ever more sustainable, equitable and fairer modes of behavior and revenue generation?

*"It is up to other non media sectors like science, government and civil society, to learn how they can use the media for positive, constructive ends... It is our job, us the media professionals, to work with you, help you understand the complexities and subtleties of media and utilize that knowledge to help you achieve these goals"*

(Birgitte Rasine, CEO, Lucita, USA)

Another central issue in corporate social responsibility is **trade union rights**:

*“workers gain the capacity, without fear, to intervene to help protect the environment, inside and beyond the confines of their work place. The existence of trade unions also changes power relationships in the wider community...And, there is nothing that contributes more to a better environment than **democracy**, where active citizens can move society forward in a way that respects and protects the environment.”*

(Jim Baker, International Confederation of Free Trade Unions (ICFTU), Belgium)

## **Main barriers and good examples of how to overcome them**

The bottom line for MNCs is, ultimately, money. Industry is focused on **profit** and this is where pressure should be applied:

*“companies need to be coerced from within their markets, because it is in wealthy, developed nations that industry is at its most vulnerable. Numerous companies based in the west have been forced to change their practices because of student boycotts and national outcry over their behavior in countries that manufactured their products.*

***International Corporate Sustainability Partnerships** that link the poorer grower/producer nations to the richer buyer/market nations should be stressed and strengthened. NGOs have proven especially useful in this endeavor to let the buyers in wealthy nations know how their product was grown or produced.*

***Advertising campaigns** against particularly egregious corporations should be supported. Ultimately, if we can alter the way the market looks at products that were produced through environmental and/or human exploitation, then corporations will respond in kind - to protect their bottom line.”*

(Sarah Diefendorf, Executive Director, Environmental Finance Center, California State University, Hayward, US)

Several contributors agree that the dominant business **paradigm of money/profit/growth** as the ultimate aim of all business needs to be critically reconsidered. Suggestions to target this aim are to involve the media, consumer associations, trade unions, consumers and regulators:

*“Create a special **media** team which influence and infiltrate the media to force more airtime to be given to thinkers ... who address the practical consequences of having no values in our society, and who challenge the main business assumption that more growth, more profit, and more money is always good...”*

*There needs to be a world summit team which focuses on training **consumer associations** and **trade unions** in sustainable values and economic theory ... Each citizen must become an activist... Consumers must live more simply and boycott products from companies, which harm the environment. Consumers need more information than we already have on how to take practical action. Associations need to counteract passivity by making it easy to be an activist. The world summit must train the associations and monitor their progresses.*

***Regulators** need to encourage more strongly organic and simple living. Higher taxes on pollutant, non-sustainable products and services... Regulators need to put in laws so that trade unions are requested by law to sit in boardrooms. Regulators need to put in laws with quotas of women in parliament as women are concerned with sustainability issues.”*

(Veronique Raingeval, England)

Don Scott Johnson (Citizens of Earth, USA) identifies the **stockholder model of raising capital** in which the profit motive is detached from the profit making processes as the chief barrier to sustainable productivity:

*“In corporate structure, the stockholders are the people that profit without doing any work. When a corporation exploits the environment or human beings, it does so because its first duty is to its stockholders who buy and sell based on the stock’s valuation regardless of the methods used to increase that values.”*

His suggestion evolves around **worker owned enterprises** that would operate sustainably: egalitarian sources would provide capital for starting worker-owned enterprises; long-term sources of capital would come from the enterprises themselves; each successful worker owned -enterprise would be mandated in a legally binding way to contribute a percentage of profits for establishing more such enterprises; this would ensure a continuous, exponential growth pattern.

Willem Adrianus de Bruijn (ZERO Association, Belgium) suggests that the current **legislation about the tax deductibility of costs of living** is one of the main barriers:

*"Multi-national companies like any other producer will be forced by the laws of competition to improve the ecological quality of their products and to account for this quality, when consumers can deduct, from their taxable income, the money they spent on ecological products... The capacity to deduct costs from taxable income gives the ability to pursue a goal efficiently, in the free market economy, while earning income... The costs of living could be managed as costs with a positive effect on income and therefore tax deductible, if income is considered, by law, in a time scale of generations, rather than of a human life."*

The barriers to corporate responsibility can be found both inside and outside corporations:

*"Inside companies, the barriers include **competing priorities** at board level, the silo structure of management systems, and the fact that staff executive and staff incentive systems rarely reward good performance in this area - and even more rarely punish bad performance. Outside companies, the problems include weak or non-existent **governance systems** and regulatory frameworks, ineffective enforcement, corruption (in some regions) and the fact that the markets (e.g. most consumers and investors) are not yet demanding state-of-the-art triple bottom line performance from companies."*

(John Elkington, Chair of SustainAbility and The Environment Foundation, UK)

The current discussion focuses mainly on achieving CESRA [Corporate Environmental and Social Responsibility and Accountability] through **creating "share-holder value"**:

*"By putting a cost on externalities, and by proving the long-term sanity of sailing a "sustainable" course, we aim to persuade those who are the owners of the corporate entity to force management to follow the sustainable development route. Indeed the hunger for increases in the money-value of shares expressed by so many shareholders, forces companies to look at cutting costs to increase profits when markets have reached their limits of growth or aren't growing fast enough. Therefore, cost-internalisation through ecological tax reform, extended producer responsibility policies and other "cost-internalisation" regulations will automatically point the "cost-cutters" nose in the right direction. The hunger for money is turned into a driver for CESRA."*

(Pieter van der Gaag, ANPED, the Northern Alliance for Sustainability, Netherlands)

Should **globalisation** be regarded as a barrier to achieving corporate accountability? As can be expected, opinions on this issue diverge widely:

*"The facts of globalisation are revealing. A small group of powerful individuals are now richer than the population of Africa. Just 200 giant corporations dominate a quarter of the world's economic activity. General Motors is now bigger than Denmark. Ford is bigger than South Africa... Is this the "global village" we're told is our future? Or is it merely an old project that used to be run by the divine right of kings, and is now run by the divine right of multinational corporations, and by the financial institutions and governments that support them?"*

Michael Saunby (Futurologist, Teachmore, UK) argued against that: corporations must maintain their good name if they are to recruit staff or sell products; and governments still have extraordinary power over people and corporations. However,

*"developing countries are prime targets for multinationals to exploit because of weak governments desperately looking for foreign capital, and more importantly, because workers rights and union laws are either non-existent or easy to step around."*

(Xavier Menage, Postgraduate Student, Institute for Sustainability and Technology Policy, Australia)

The powers invested in private companies can be changed; one way to strengthen developing countries' position would be to apply the same regulations to TNCs as are already being applied to local businesses:

*"Earth Summit 2002 can encourage the governments of developing countries to muster the self-confidence and pride to treat multinationals the same way they treat their indigenous businesses. Sadly, in many instances, to do so would be to commit interested investors to organisational purgatory. We are our own worst enemies on this question, my friends."*

(Wesley Gibbings, St Lucia)

## Good models for furthering corporate responsibility

Some of the debaters point out that it is not an easy task to find a fully accountable organisation that could serve as a good model for corporations.

*"Thriving businesses treat employees and local communities better than failing ones. Commercial enterprises are more inclusive and less discriminatory than religious organisations. With public services due to complex funding it is often harder to establish if good value is being provided. Often where a public service is provided customers have less choice."*

(Michael Saunby, Futurologist, Teachmore, UK)

Arguing from within the current paradigm, Donald F. Schutz (Chair, Environmental Sciences Division, American Nuclear Society, US) suggests a **symbiosis between for-profit and not-for-profit corporations and government** should be recognised and dealt with in a positive way as we approach the Summit:

*"The profitable corporation is the most effective social welfare organization. Corporations are the main engines for the creation and distribution of wealth. The beneficiaries are both customers and workers as well as the community as a whole through corporate contribution to taxes. Government doesn't create wealth, but may be useful in redistributing it in socially desirable ways."*

**A sustainability ranking list** of MNCs for investors should be created:

*"Then, ethically motivated investors could boycott the companies that are abusing labor and the environment. This is quite simplistic, but might actually have good results if ethical peer pressure within the investment world paid off."*

(Dr. Dusty Becker, Kansas State University, US)

However, other contributors emphasize that MNCs relate to other actors (i.e. customers, investors, rivals, suppliers, employees, political and legal forces) through **trade** and that there are more effective ways to influence:

*"Corporations understand trade, perhaps rather than making up lists of good and bad corps, or lists of demands, what is needed is an invitation to trade. A trade in ethical know-how, e.g. opportunities to develop new markets rather than exploit cheap labour... Perhaps rather than the somewhat negative approach of exposing the failings of corporations, which might simply reduce their income and affect their future capacity to do good, it would be better to spend this marketing effort on showing business the benefits of long term relationships with NGOs and others."*

(Michael Saunby, Futurologist, Teachmore, UK)

*"if customers and investors start asking questions about the company's performance as corporate citizen, they will take this as serious as the price of the product or the financial profit. How do we get there? Proactive companies need positive feedback from the market, lagging companies and individuals need stronger regulatory processes. We all need more transparency and the courage to rethink our priorities and to work together."*

(Martin Tanner, Corporate Affairs, Novartis, Switzerland)

Set a clear and legal **framework for control** of TNCs and trade organisations:

*"Ultimately such control must and will happen... Many NGOs working on 2002 are seeking stronger controls. Some of us suggest that the legal basis for such controls should be an agreed set of **Environmental Human Rights**, which would help work towards ensuring a safe and healthy environment for everyone... Johannesburg could be the point at which work towards a new convention starts."*

(Chris Church, Co-chair, ANPED ([www.anped.org](http://www.anped.org)), UK)

Finbarr Carter (Just Business ([www.jusbiz.org](http://www.jusbiz.org)), UK) suggests that a global and ethical dimension should be included in the teaching and learning of Business Studies and Economics. 'Just Business' is an example that aims to assist teachers of Business Studies and Economics in the UK and their students to explore the global and ethical dimensions of their subject.

## What strategies could Earth Summit 2002 develop to address this issue?

*"We should develop solutions on a scalable basis, so that as we build momentum and achieve our first set of goals, we can continue to move and expand and build on the same principles and strategies we have begun with."*

(Birgitte Rasine, CEO, Lucita, USA)

Many contributors agree that the Summit should invest in a candid assessment of progress to date; identify the barriers that slow progress and strengthen regulatory frameworks and systems of governance.

### Strengthen existing frameworks

*"Earth Summit 2001 should not try to re-invent the wheel when it comes to instruments to influence the behaviour of enterprises... Rather, it should encourage all parties, including many companies who are serious about their impact on the world, to make the OECD Guidelines work and to use all possibilities to generate useful global social dialogue and engagement, including the Global Compact."*

(Jim Baker, International Confederation of Free Trade Unions (ICFTU), Belgium)

### Earth Summit 2002 could call for a global process to **develop a new global framework:**

*"... [that should] clearly, and for managers understandably, state what it is that global society expects of corporations in sustainable societies... The global code should provide the framework or the standard of mandatory reporting and verification. Corporations hold a great deal of information. The work underway in SA 8000 on the social side, and the multi-sectoral Global Reporting Initiative, can provide the basis for this global and binding monitoring and verification regime. The code should also require of governments to reform their own policy coherence in support of the implementation of this code..."*

*The process should discuss the norms and values underpinning corporate behaviour and the mechanisms to monitor and verify the measures put in place by the corporate entities to comply and go beyond. A global convention on Corporate Accountability could emerge."*

(Pieter van der Gaag, ANPED, the Northern Alliance for Sustainability, Netherlands)

### Governments should focus on disclosure and verification to achieve **accountability:**

*"Rio +10 should call on governments to implement rules that increase corporate disclosure of their environmental and human rights records. Even requiring companies to state whether they have a policy on certain specified areas, and to explain how they know whether they are complying with their own policies, would help. So would incentives for companies to certify that they are complying with OECD and other guidelines. For such certifications to be useful, they would have to be verified by outside parties. Here, too, government can play a role, setting standards for outside certification that ensure that communities, unions, etc. are involved in such processes, rather than leaving them with the large accounting firms who have no credibility with community actors."*

(Naomi Roht-Arriaza, Human Rights Advocates, USA)

Earth Summit 2002 "should be aiming at globally accepted and enforced standards that will break the stranglehold of the private sector over individual governments. No corporation should be allowed to have the strength to force governments in short-term counter-productive cooperation at the expense of longer-term sustainability."

(Urban Secretariat of UNCHS (Habitat))

Summary provided by Jasmin Enayati, moderator of the Earth Summit 2002 online debate. For further information please contact Jasmin Enayati at [jenayati@earthsummit2002.org](mailto:jenayati@earthsummit2002.org)  
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