REDUCING GLOBAL POVERTY:
Engaging the Global Enterprise

A Statement by the Research and Policy Committee of the Committee for Economic Development

July 2003
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RESPONSIBILITY FOR CED STATEMENTS ON NATIONAL POLICY

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All CED policy recommendations must have the approval of Trustees on the Research and Policy Committee. This committee is directed under the bylaws, which emphasize that “all research is to be thoroughly objective in character, and the approach in each instance is to be from the standpoint of the general welfare and not from that of any special political or economic group.” The committee is aided by a Research Advisory Board of leading social scientists and by a small permanent professional staff.

The Research and Policy Committee does not attempt to pass judgment on any pending specific legislative proposals; its purpose is to urge careful consideration of the objectives set forth in this statement and of the best means of accomplishing those objectives.

Each statement is preceded by extensive discussions, meetings, and exchange of memoranda. The research is undertaken by a subcommittee, assisted by advisors chosen for their competence in the field under study.

The full Research and Policy Committee participates in the drafting of recommendations. Likewise, the trustees on the drafting subcommittee vote to approve or disapprove a policy statement, and they share with the Research and Policy Committee the privilege of submitting individual comments for publication.

The recommendations presented herein are those of the Trustee members of the Research and Policy Committee and the responsible subcommittee. They are not necessarily endorsed by other Trustees or by nontrustee subcommittee members, advisors, contributors, staff members, or others associated with CED.
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THE PURPOSE OF THIS STATEMENT

In May 2002, CED released a policy statement, A Shared Future: Reducing Global Poverty, which called on leaders of global enterprises “to rally public and private support for a strategy to overcome global poverty.” This program statement provides greater background and deeper analysis than could be attained in the initial policy statement with regard to the role that global enterprises play in developing countries and their engagement with those countries to achieve higher levels of economic growth and standards of living. In addition, this paper goes beyond the recommendations of the original statement to recommend further measures that U.S.-based global enterprises can take to help developing countries. The paper also provides models of best practice and, in an appendix, a list of prominent organizations (such as the U.N. Global Compact) that are helping global enterprises to implement these practices.

ACKNOWLEDGEMENTS

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The report was drafted by Elliot Schwartz, Vice President and Director of Economic Studies at CED, with the able assistance of Rebecca Solow and Megan Kormi. Sylvia Ciesluk researched and prepared the Appendix. Everett M. Ehrlich, CED’s Senior Vice President and Director of Research, supervised the project. Isaiah Frank, CED’s Advisor on International Economic Policy, contributed valuable comments.

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CED’s report on global poverty, *A Shared Future: Reducing Global Poverty*, calls on business leaders around the world to promote constructive solutions to the problems of poverty in the developing countries. Global businesses generally support economic growth, higher incomes, and reduced poverty by their investments and operations in developing countries, including public-private partnerships, as well as through commercial trade contracts and supplier networks. But a further avenue of business support for economic development is the engagement of global companies. “Corporate engagement” covers a range of concerns, from setting higher environmental, ethical, and workplace standards in normal business operations, to charitable programs targeted at improvements in health, education, and other aspects of human development. Specifically, by corporate engagement we mean:

- Support for fundamental human rights and avoiding business activities that abuse human rights;
- Acting in a socially responsible manner, by supporting the laws, customs and traditions of the countries in which a business operates, and contributing in a responsible manner to the development of communities;
- Acting in a manner that minimizes the detrimental environmental impacts of business operations;
- Supporting charitable, educational and community service activities; and
- Supporting international and local efforts to eliminate corruption and financial crime.†

CED recommends that U.S.-based global enterprises strive to act at the same high standards of corporate engagement in all countries in which they operate, making no distinction in aspiring to reach those levels between operations in the United States and abroad, yet recognizing that specific actions need to take into account national customs and traditions.

Corporate policies and programs in developing countries demonstrate the commitment of forward-looking companies to raise social standards and improve the quality of life, and they counter accusations that global enterprises are leading a “race to the bottom.” We recognize that not all global companies have been as progressive or as quick to respond as others. The performance of global enterprises in developing countries has been uneven and largely reactive to pressure from consumers, workers, shareholders, non-governmental organizations (NGOs), and governments. Nevertheless, the trend is toward greater awareness and action on the part of global companies to help improve economic and social conditions in developing countries. This paper discusses how some global companies are leading by example and offers models for companies that may want to follow.

Models of best practice suggest the following:

- We urge all U.S. companies that trade and invest with developing countries to take a farsighted view of the totality of their relations and self-interest. That view ought to confirm the wisdom of endeavoring to reach the highest standards of corporate engagement.
- We urge companies, in their role as employers, to search for options to raise workforce norms and standards.
- Companies should consider expanding their ties to local communities by increasing social engagement efforts. Such programs can build on the company’s core competencies, product characteristics, and operational structures to accomplish social objectives while building value for the company.

† Adapted from PricewaterhouseCoopers code of conduct, available at [www.pwglobal.com](http://www.pwglobal.com). Other corporate codes of conduct express similar goals.
In May 2002, CED published *A Shared Future: Reducing Global Poverty*, which called broadly for global business, education and social leaders to rally support for an attack on global poverty. Specifically, the report called on business leaders and their employees to become involved in the leading educational and social organizations that are promoting constructive solutions to the economic, health, and social problems of low-income countries. Among other things, *A Shared Future* demonstrated how leading global corporations are contributing to anti-poverty efforts in developing countries and highlighted activities of public-private partnerships and international business organizations to improve the education and health of low-income populations in developing countries. This report elaborates further on those efforts and suggests that while many firms are already engaged in such efforts, more can reasonably be done.

Analysts often refer to these policies and programs loosely as “corporate social responsibility” or “business accountability.” But the term “corporate responsibility” has become associated with accounting scandals and corporate governance issues, and in some contexts “social responsibility” can imply blame or fault for social ills that may be unrelated to business operations. This report uses the term “corporate social engagement” to describe the range of business interactions with groups or communities to achieve development goals. These interactions go beyond the positive externalities that economists generally associate with foreign direct investment (FDI) or trade. Corporate engagement includes both operational policies that establish new (higher) norms within a market framework and programs that tackle social problems directly, often through charitable channels outside of standard market arrangements. Higher norm-setting occurs, for example, through the introduction of labor practices, such as the provision of education, child-care, or health services, designed to improve the quality and productivity of the work force. A well-known example in the United States was Henry Ford’s raising the wages of factory workers in the early days of mass production of automobiles. That market-based leadership had tangible benefits both for the corporation and for American society. As shown below, we would exclude from this definition some activities linked to the idea of “corporate responsibility,” even though they help achieve social goals. Among them are private philanthropy (such as the activities of private foundations created by business leaders, rather than corporate foundations), business activities that comply with existing laws and regulations (for example, regarding worker health and safety or financial reporting), or the pursuit of a profitable line of business that fulfills a social need (for example, companies that provide education, health, or housing as a line of business), although these are all important avenues of business support for development.

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“Business function by public consent, and its basic purpose is to serve constructively the needs of society—to the satisfaction of society.”


† We would exclude from this definition some activities linked to the idea of “corporate responsibility,” even though they help achieve social goals. Among them are private philanthropy (such as the activities of private foundations created by business leaders, rather than corporate foundations), business activities that comply with existing laws and regulations (for example, regarding worker health and safety or financial reporting), or the pursuit of a profitable line of business that fulfills a social need (for example, companies that provide education, health, or housing as a line of business), although these are all important avenues of business support for development.
similar corporate policies and programs are taking root in developing countries.

A difference, of course, exists between corporate activities in the OECD countries and in developing countries. In the United States, for example, there is very effective enforcement of a vast number of rules, regulations and laws that affect corporate behavior (from health and safety in the workplace to the environment). By contrast, even where such rules, regulations, and laws exist in developing countries, they often are not enforced. Domestic corporate social behavior in developing countries is far below the OECD average standard—in part because they are mandated to do so by enforced laws, regulations, and civil litigation in the developed world. Such risks rarely if at all confront companies in developing countries. Nevertheless, forward-looking global corporations frequently strive to adapt to local cultures and traditions, while adhering in these countries to social and environmental compliance standards that they practice in their home countries—such actions tend to raise standards and serve as models for corporate behavior in developing countries.

In many cases the development-promoting activities of global corporations are linked with foreign direct investment; although, as discussed below, joint ventures, subcontracting, and other linkages also create opportunities for businesses to contribute to development. FDI is perhaps the most important and effective source of economic growth other than domestic saving for developing countries able to attract it. The central reasons are well-established. In short, FDI transfers resources and technology from the economically advanced countries and has significant spillover benefits in the form of improved trade balances, increased levels of employment, improved productivity, and higher domestic government tax revenues. Even when it takes the form of a purchase of a local firm, FDI typically enlarges the firm and improves its efficiency by implementing new management techniques and other modernizations. Both directly and indirectly, FDI can help to raise income, lower poverty, and improve other indices of human development. It is especially effective where forward-looking companies make significant contributions to economic and social development through good corporate practices.

In contrast to other forms of capital inflows, FDI tends to be more stable because it is committed for a longer duration. That long-term commitment often carries with it an overlooked benefit, namely, the involvement and dedication of the foreign firm to the improvement of the host country. In most cases, the success of a foreign firm’s investment relies on the success of the local economy, society, and polity. That is why FDI is attracted to developing countries that strive toward good governance and market friendly economic policies and why some countries are able to attract a relatively greater proportion of FDI compared to the size of their economy or overall capital investment. Once invested for the long term, most foreign firms cannot easily pull out of the country. That tends to align the firm’s self-interest with the country’s interest in realizing its development goals. Although firms are not equally affected by such incentives, most global enterprises based in OECD countries and operating in developing countries establish policies and programs that support and improve the economic, environmental, political, and social performance of the countries in which they operate. In part, their motivation is no different than that of domestic firms, which may also establish such programs. But the foreign firm is typically larger and more vulnerable than the domestic firm to regulatory or political bias. It is also subject to public opinion in its home country, which may create pressure for the firm to

† As noted, not all such programs are based on FDI. Corporate social programs derive from various sources and motivations. All, however, require some company presence in the affected nation, even if only through contractual relations with subcontractors.
maintain a good reputation by engaging in social programs in host countries. Thus, it may have added incentive to create goodwill within the host country by adopting high-profile policies and programs that show its commitment to the domestic economy and society.

The motivation and commitment of corporations to the goals of poverty reduction and economic and social advancement have been the subject of much debate and analysis. Some of today’s leading practitioners of corporate social engagement, especially among firms in the extractive industries, have historically been closer to the lagging rather than the leading edge of enlightened behavior. Several firms in the apparel industry and retail trade have been hit with harsh publicity about labor practices of sub-contractors. Thus, in many cases, the concerns exhibited by global businesses for improvement in social conditions results from the need to restore a tarnished image or make amends for previous behaviors. The depth of business commitment to social progress has also been questioned. Many social activists question whether corporations are interested only in the public relations benefits of their social programs. Based on the evidence gathered for this report and our own experience, we conclude that the range of activities, motivations, and commitments on the part of global business is very broad. The most forward-looking companies have established policies and made commitments that permeate the corporation from the Board and CEO levels on down to the very lowest stratum of the company. Others have yet to understand fully the business case for corporate social engagement and have not embraced such policies. Further, even those companies that strive to achieve the highest standards of corporate engagement can fall short on occasion.

Two polar views typically shape the discussion of corporate social engagement. As already suggested, one view holds that businesses have a duty or responsibility to promote the social good. The other maintains that corporations have no social roles other than their basic economic functions and obedience to local and national laws. As put by Milton Friedman, “there is but one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game....” CED’s long-held viewpoint is that businesses are important societal institutions that shape, and are shaped by, their environments. As economic institutions, they must pursue activities that ultimately add to their bottom lines, but the scope of such activities is much broader than generally conceived. Almost without exception, good corporate engagement is beneficial both for the firm and for the economy and society overall.

“There is broad recognition today that corporate self-interest is inexorably involved in the well-being of the society of which business is an integral part, and from which it draws the basic requirements needed for it to function at all—capital, labor, customers.”

SOURCE: CED, Social Responsibilities of Business Corporations.
Background

This paper is focused on the social engagement of global enterprises in developing countries. The activities of global enterprises have drawn interest because of the great potential they have to contribute to goals of economic development and the integration of developing countries with more advanced economies. Most important, transfers within global enterprises account for the bulk of FDI flows to developing countries. Net FDI flows to developing countries have increased considerably in the past decade, rising each year from 1991 to 1999 (followed by a small drop in 2000 and 2001). The average net FDI inflow over the period from 1991-1995 was $69.3 billion, increasing to $168.9 billion for the period from 1996-2000.

As shown in Table 1, the number of global enterprise affiliates in developing countries makes them a significant presence in many countries. There are nearly 500,000 foreign affiliates in developing countries, about 125,000 excluding China. Most are located in South, East, and Southeast Asia. These affiliates represent a rich and diversified base for promoting economic and social development in low-income countries.

Table 1

<table>
<thead>
<tr>
<th>Area/economy</th>
<th>Parent corporations based in economy</th>
<th>Foreign affiliates located in economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>64,592</td>
<td>851,167</td>
</tr>
<tr>
<td>Central and Eastern Europe</td>
<td>850</td>
<td>255,825</td>
</tr>
<tr>
<td>Developed Economies</td>
<td>50,250</td>
<td>100,825</td>
</tr>
<tr>
<td>Developing Economies</td>
<td>13,492</td>
<td>494,900</td>
</tr>
<tr>
<td>Minus China</td>
<td>13,133</td>
<td>131,015</td>
</tr>
<tr>
<td>Africa</td>
<td>1,156</td>
<td>6,100</td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>2,022</td>
<td>27,577</td>
</tr>
<tr>
<td>South, East, and South-East Asia</td>
<td>9,834</td>
<td>450,607</td>
</tr>
<tr>
<td>China</td>
<td>379</td>
<td>363,885</td>
</tr>
<tr>
<td>Other Asia (including Middle East)</td>
<td>480</td>
<td>10,616</td>
</tr>
</tbody>
</table>

Three critical points about FDI need to be stated at the outset.

- **First**, the role of foreign-owned businesses in promoting social development can only be supportive of local efforts; the primary impetus for social and economic change must come from local social, political, and economic leaders. Foreign-owned businesses typically account for a very small percentage of a country’s total economic activity. Local conditions, institutions, and policies are the main determinants of economic development.

- **Second**, global firms characteristically generate positive economic effects through the normal conduct of business when they establish a business presence in a developing country. Such firms transfer financial, managerial, scientific, and technical resources from the more economically developed countries. FDI increases competition in local product and labor markets, which puts pressure on domestic firms to improve efficiency. In many cases, foreign firms provide basic goods and services such as housing, health care, education, water, and electricity.

- **Third**, although many observers have described corporate social engagement in terms of a conflict between profit and moral or humanitarian motives, the overriding rationale for any corporation must be based on its understanding of its own self-interest.† Although social engagement initiatives may not translate directly into profits in the short term, they generally produce benefits for the firm and ultimately add to the bottom line. Our expectation is that upon full evaluation many businesses will find that the net benefits more than justify their engagement in social initiatives.

In contrast to the often-repeated accusation that global enterprises are promoting a “race to the bottom” by lowering global standards, especially with regard to environmental and labor conditions, the reality is that in many cases corporations are leading a rise in such social standards. Although the historical record is far from perfect, many leading global enterprises now are establishing progressive social programs in countries in which they operate. As they expand from their home base to developing countries, social engagement policies and programs expand with them. Such efforts extend the benefits of globalization and help to ensure that those benefits will accrue to local populations.

Although social activities are voluntary on the part of business, governments of the advanced economies have taken steps to encourage and promote such activities. For example, most governments allow a tax deduction or credit for charitable donations. Governments also use various forms of public advocacy and moral suasion to promote good corporate engagement. The broadest effort to influence the conduct of global enterprises is encompassed in the OECD Guidelines for Multinational Enterprises. These guidelines are recommendations on appropriate business conduct by global enterprises. As part of the OECD Declaration on International Investment and Multinational Enterprises, they provide a framework intended both to improve the international investment climate and to encourage the positive contributions of global enterprises to economic, social and environmental goals. The general policies of the guidelines are reproduced in the following box.

The OECD Guidelines are far from the only effort to influence corporate behavior in developing countries. Another important multilateral, and tripartite (government/business/labor), effort is the International Labor Organization’s (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, known as the MNE Declaration. The MNE Declaration is a set of voluntary guidelines and commitments by each of the three participating groups in such

† As put by Adam Smith, “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their self-love, and never talk to them of our own necessities but of their advantages.”
areas as development policy, rights at work, and industrial relations. In addition, various business associations and individual businesses have developed codes, guidelines, and principles to encourage and support corporate social engagement. Among other prominent international organizations promoting such activities are the U.N. Global Compact, the World Economic Forum’s initiatives on Corporate Citizenship and Global Health, the Corporate Social Responsibility Forum, and Business for Social Responsibility. (See Appendix for an illustrative list and descriptions of such organizations, their memberships, and activities.) Increasingly, firms within well-defined sectors, such as apparel manufacturing and mining, are joining specific initiatives to establish standards of conduct within their industry. (Examples include the Fair Labor Association, successor to the White House’s Apparel Industry Partnership, which addresses workplace standards and the Voluntary Principles on Security and Human Rights, established by the mining and extractive industry.) In many respects these efforts, taken together, create a form of “soft rules” that, although voluntary, nonetheless govern (normalize) corporate social behavior.4

Background

Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard, enterprises should:

1. Contribute to economic, social and environmental progress with a view to achieving sustainable development.
2. Respect the human rights of those affected by their activities consistent with the host government’s international obligations and commitments.
3. Encourage local capacity building through close co-operation with the local community, including business interests, as well as developing the enterprise’s activities in domestic and foreign markets, consistent with the need for sound commercial practice.
4. Encourage human capital formation, in particular by creating employment opportunities and facilitating training opportunities for employees.
5. Refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to environmental, health, safety, labor, taxation, financial incentives, or other issues.
6. Support and uphold good corporate governance principles and develop and apply good corporate governance practices.
7. Develop and apply effective self-regulatory practices and management systems that foster a relationship of confidence and mutual trust between enterprises and the societies in which they operate.
8. Promote employee awareness of, and compliance with, company policies through appropriate dissemination of these policies, including through training programs.
9. Refrain from discriminatory or disciplinary action against employees who make bona fide reports to management or, as appropriate, to the competent public authorities, on practices that contravene the law, the Guidelines or the enterprise’s policies.
10. Encourage, where practicable, business partners, including suppliers and subcontractors, to apply principles of corporate conduct compatible with the Guidelines.
11. Abstain from any improper involvement in local political activities.

The relationship between business and society is more complex than generally represented by economic models. Although analysts find it convenient to consider aspects of the economy and society separately, in the real world no such division exists. In the United States and most other countries private enterprises produce the vast majority of goods and services, but they do so in the context of social and political structures that set the rules and norms for business activity. And businesses are in turn affected by social customs and government policies, which shape and influence consumer tastes and workforce abilities and regulate business operations.

Business enterprises, therefore, are more than just economic entities. They must navigate their way through both formal and informal channels of influence. And, in the most positive sense, they must seek to shape their surroundings to improve them and make them more conducive to long-term success.

To function efficiently as an economic entity, the corporation must build a consensus among numerous groups, including: stockholders, management, work force, customers, suppliers, bankers, financiers, communities, and various levels of government. Corporations must therefore be sensitive to conditions in the society around them and to the expectations of shareholder and stakeholder groups. Engagement and leadership aimed at strengthening society may not ordinarily contribute immediately to profits, although there is evidence that it can have short-term paybacks as well. Most important, it can strengthen the longer-term viability and financial success of the enterprise.

The question of whether a private, commercial enterprise should engage in socially beneficial programs must be answered by each business itself. But the large number of businesses that answer that question affirmatively verifies that sufficient business reasons exist. Motivations run the gamut from proactive brand identification with social causes to strictly defensive measures to ensure against negative publicity and consequent lost sales. In some instances, especially when they find themselves in conflict situations, businesses may feel they have “no choice” but to play a positive role in supporting social stability and better governance. Not all global businesses, of course, are inspired to implement policies or programs that respond to local conditions. Circumstances differ among developing countries and various lines of business. Some firms have a more narrow and, in CED’s view, short-
sighted perspective based strictly on the exploitation of local resources. In addition, smaller firms may be less able than larger firms to afford social programs, or, at least, their programs will of necessity be smaller. Below, we set out a few of the reasons that have motivated global businesses to become more socially engaged.

ENLIGHTENED SELF-INTEREST

Perhaps the simplest and strongest explanation for why firms go beyond narrow-gauged market activities is “because it is right” and serves the longer-term interests of the society, which in turn benefits the longer-term interests of the business by creating a more stable environment, good will, and brand identity.

Many business leaders cite humanitarian motives for social activities, and these are clearly important. But businesses are unlikely to be motivated solely or consistently by altruistic appeals. They are neither charitable nor government institutions, and they should not be expected to act as if they were. Nevertheless, businesses prefer to operate in more stable political and economic environments. A business’s success is often tied to the success of the country in which it operates, either directly or through supplier relationships. A stable, non-corrupt government and society provide a less risky climate for investment and trade. A more educated and healthier population is more likely to supply a productive and reliable labor force. Populations with higher incomes generate more consumer demand for the products and services businesses sell. Thus, many businesses see their engagement as “enriching” these environments in order to improve them as markets, investment locales, or sources for labor or materials. At a practical level, as firms gain experience and deepen relationships in developing countries they often find that upgrading their social policies and programs becomes more important.

POSITIVE BRAND IDENTIFICATION/GOODWILL

Some firms undertake social initiatives to enhance their brand image; some act to defend their brand against negative publicity; some have built their brand based on identification with social causes. To varying degrees these motivations are all based on the value that consumers place on a company’s image and reputation. The value of its brand can be a significant asset to a firm, since strong brands have the power to lift sales and earnings. One business-consulting group (Interbrand) estimates that in 2002 the world’s 10 most valuable brands had a combined asset value of $388 billion. Variations studies suggest that among other product traits, consumers value products and companies that adhere to social standards such as child-labor-free clothing and environmentally sound production processes. Whether the company acts positively to burnish its reputation or defensively to overcome or prevent negative publicity, brand value can be an important motivation for social involvement. Such efforts may be aimed either towards host or home markets. Consumers in developing countries represent a fast growing segment of many markets. Positive brand recognition based on identifications with social engagement can be important in building consumer loyalty in those markets. In addition, as discussed below, goodwill can have a direct payback, as local governments may examine the totality of their relationships with a company when making regulatory or licensing decisions.
LABOR MARKETS—AT HOME AND ABROAD

Tight labor markets for skilled workers in developing economies lead firms to improve local labor conditions. Firms might, for example, simply provide higher compensation either in the form of higher wages or improved fringe benefits such as the provision of health services to attract and retain a workforce. Although labor markets characterized by excess supply provide less of an incentive for such benefits, they do not necessarily inhibit business activities in this area. In many cases businesses are investing in the education and training of their workforce to improve quality and productivity or to improve other aspects of the work environment. The AIDS programs of Volkswagen do Brasil and Daimler-Chrysler of South Africa provide good examples of how a firm can help itself by addressing a social problem (See boxes). Mining companies in South Africa have recently implemented similar programs.

Similar considerations in a global enterprise’s home market, based on the need to retain and attract talented individuals, have led firms to support social programs that benefit developing countries. Firms that identify their brand with a social cause, such as “no sweat” labor conditions and “green” environmental practices, are often more attractive to prospective employees, especially recent college graduates, than are firms with negative reputations. In addition, many U.S. firms provide employees with paid time off from work to engage in volunteer activities that among other causes have benefited developing countries.

FIGHTING HIV/AIDS: VOLKSWAGEN DO BRASIL

Brazil has one of the highest rates of HIV/AIDS infections in South America, with 540,000 reported cases of HIV and 18,000 deaths from AIDS. Of the 330,000 children orphaned by AIDS in Latin America, more than one-third live in Brazil. Unsurprisingly, AIDS has a significant negative impact on the productivity of Brazilian firms through hospitalization, absenteeism, and shortened life expectancies. To combat the negative impact of AIDS, Volkswagen do Brasil launched an AIDS Care Program in 1996 aimed at reducing the spread and effects of the disease. Volkswagen quickly found that it was far more profitable to educate and treat its employees than to recruit and train new ones and the program quickly raised the quality of life for Volkswagen factory employees.

The AIDS Care Program focuses both on prevention and treatment. Volkswagen uses the communication channels available within the company to educate workers about the dangers of AIDS and how to prevent the disease. Condom dispensers were also installed in factory bathrooms. The firm provides free medical treatment, clinical support and confidential counseling to workers already infected with HIV. This includes company-provided anti-retrovirals and other cutting-edge prescription drugs. Along with constructing a clinic to treat its workers, Volkswagen also provided a mobile care unit that visits the homes of workers to ill to travel to the clinic. Treatment extends to workers’ families and retired employees as well; while Volkswagen employs 30,000 workers, there are over 100,000 Brazilians on the company health plan.

By 1999, Volkswagen was able to quantify significant positive results from the AIDS Care Program. Hospitalizations among employees were reduced by 90 percent and AIDS-related costs were cut by 40 percent. Volkswagen also noted a high participation in the program, greater disease prevention, and better quality of life for employees and their families. Volkswagen’s efforts in fighting the AIDS epidemic earned it the Excellence in Corporate Response award from the Global Business Council on HIV/AIDS in 1999.

PROFITABILITY

Numerous studies have linked corporate social activities to better business performance, as measured by profitability or return on equity, and evidence of a narrowly defined “business case” for social engagement, although weak in some dimensions, is clearly positive.† In addition to various studies that link corporate social commitments to improved financial performance, three simple observations are relevant. First, mutual funds that invest in “socially screened” firms (once valued at about $2 trillion) do no worse and often much better than more broadly based funds. Second, the simple fact that many firms choose to engage in social initiatives, even if they cannot measure their specific contribution to financial performance, suggests that they can justify such activities on financial grounds. Indeed, some contributions, such as donations of depreciated equipment or excess inventories, are easily justified because they are eligible for a tax deduction.†† Finally, anecdotal evidence links political and social goodwill generated by corporate engagement to short-term payoffs in the forms of faster licensing and regulatory approvals, greater flexibility on the part of government authorities, and contracts granted on the basis of selection criteria that favored firms committed to social improvement.⁹

Some social activists have promoted a broader definition of the business case through the concept of a “triple bottom line of sustainable development” which focuses on society, economy, and environment. (See Box.) Others, such as Transparency International, Human Rights Watch, and Greenpeace, have emphasized the importance of shareholder activism in support of social

† The weaknesses stem mainly from methodological shortcomings of the various academic studies, including the issue of whether social engagement is responsible for higher profits or the other way around.

†† See, for example, Gifts In Kind International, detailed in the Appendix.
causes and the need for public corporations to respond to shareholder interests. Shareholder activism is supported by such organizations as the Investor Responsibility Research Center (IRRC), a source of independent research on corporate governance, proxy voting, and corporate responsibility issues. Broadly demonstrated, strong shareholder interest provides a significant business motivation to include social leadership indicators in measures of business success. The success of the original Sullivan Principles at enlisting corporate support for social change in South Africa is a prime example of the force of shareholder activism.

WHAT IS THE TRIPLE BOTTOM LINE?

The triple bottom line focuses corporations not just on the economic value they add, but also on the environmental and social value they add — and destroy. At its narrowest, the term ‘triple bottom line’ is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters. At its broadest, the term is used to capture a set of values, issues and processes that companies must address in order to minimize any harm resulting from their activities and to create economic, social and environmental value. This involves being clear about the company’s purpose and taking into consideration the needs of all the company’s stakeholders — shareholders, customers, employees, business partners, governments, local communities and the public.

Some Lessons and Examples of Corporate Engagement

Experience and research have raised some important issues with regard to corporate social activities, both for firms that engage in them and countries that receive them: including where and how to spend, how much to spend, how to manage, and how to evaluate.13 Below, we examine these questions and provide some illustrative examples of corporate programs.

WHERE AND HOW TO SPEND?

No rules dictate to firms where or how they should spend in social programs, but as discussed above, substantial guidance exists through the Global Compact, OECD Code of Conduct, and other organized efforts to help inform their decisions. Such decisions depend on the country context, the nature of the business enterprise, its size, visibility, and motivations for acting, the costs and benefits to be derived, and the nature of the relationship between the business and the social initiative. For example, the social initiatives conducted by most firms take place where the firm has invested and set up local facilities. However, many retail-based firms, such as Levi Strauss, Nike, Target, and Wal-Mart, are primarily concerned about the behaviors of subcontractors in countries where, although they have no physical presence of their own, consumers have linked negative practices to their brands. These firms have instituted company policies, such as contractor codes, and specific remedial programs aimed at improving conditions or moderating sub-contractor practices in those countries.

Some firms have established programs that are closely related to their principal business activity and thus build on their specific core competence. For example, pharmaceutical companies such as Merck and Pfizer have promoted health related programs in Africa and other developing countries, through donations of medicines, price concessions, subsidization of clinical training, funding of health infrastructure and other mechanisms whose principal aim is to enhance access to quality health care. As demonstrated below, both companies have taken the lead in health programs that seek to improve health outcomes for patients in the host countries. (See box.)

The nature of the company’s operations, rather than its product, can also play a significant role in determining the types of social activities undertaken, regardless of location. FedEx and UPS, which operate large air fleets, have found that they can reduce environmental impacts (high fuel consumption and noise pollution) and save money by using quieter and more fuel-efficient engines. Both companies have worked with the Alliance for Environmental Innovation on initiatives aimed at decreasing waste, noise, and other forms of pollution that result from their operations. In addition, FedEx and UPS are companies with high fixed-cost distribution channels and are able to use those channels at low marginal costs to distribute highly valued social goods and services. (See box.) Similarly, Coca-Cola has agreed to use its extensive distribution network in Africa to support local AIDS prevention, education, and treatment programs.14
Returns on social spending are either poorly measured or generally long-term in nature. Thus, no easy answer exists to the question of how much of its resources a firm should devote to such spending. The limit on social spending by businesses is a question for each business to answer based on its judgment of the benefits, but there is little doubt that many businesses can do more, especially considering that some start from zero.

Although it is relatively easier to identify social activities that take the form of discrete, charitable programs, the leading edge social practices directly related to labor, environment, and other production-based standards are probably more significant in terms of

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**MERK AND PFIZER CREATE PROGRAMS TO ATTACK HIV/AIDS IN AFRICA**

**Pfizer, Inc. – Academic Alliance for AIDS Care and Prevention in Africa**

In 2001, Pfizer announced a collaborative effort with the Infectious Diseases Society of America (IDSA) to establish the first large-scale, comprehensive HIV/AIDS clinic in Africa. Pfizer is providing funding and staff support for a medical training and treatment facility at Makerere University in Kampala, Uganda. Pfizer's stated goal in the collaboration, called the Academic Alliance for AIDS Care and Prevention in Africa, is to "strengthen medical infrastructure, replicate it across Africa and bring the latest medicines to bear on treating [HIV/AIDS] so that African doctors and nurses can offer modern AIDS care to their patients." The Alliance plans to treat 50,000 HIV/AIDS patients in its first two years, using advanced treatments currently unavailable in Africa or other developing regions, with a target of training at least 80 clinicians per year in AIDS treatment techniques.

The Alliance will use the support of local governments and existing medical infrastructure. In addition to providing medical training and diagnostic and treatment services, the Alliance will be conducting research at the clinic into which AIDS drug "cocktails" are best suited to treatment of HIV/AIDS patients in Africa.

**Merck – African Comprehensive HIV/AIDS Partnerships (ACHAP) in Botswana**

In keeping with Merck's desire to undertake public and private partnerships to address the impact of diseases in resource-scarce settings, a public-private partnership between the Government of Botswana, the Bill & Melinda Gates Foundation and Merck & Co., Inc. was established in 2000. The mission of ACHAP is to work with the Government of Botswana to develop and implement comprehensive HIV/AIDS strategies that address prevention, care, treatment and support. The Merck Company Foundation and the Gates Foundation each are contributing $50 million over five years to advance the treatment, care and prevention of the disease in the Republic of Botswana, where nearly one in three adults is HIV-positive. Merck is also donating its antiretroviral medicines to support treatment initiatives for the duration of the program.

By working with the Government of Botswana in this country-led partnership, Merck believes that it can help expand delivery of prevention and care services across a continuum from home to facilities and improve access to treatment with antiretroviral medications and drugs for opportunistic infections. This is requiring significant investment in the building of health care infrastructure and human resource capacity, including the education and training of medical personnel, counselors and teachers in Botswana. At the end of this five-year commitment through ACHAP, Merck hopes to have strengthened sustainable improvements in the health care system in Botswana and build overall capacity in the response of government, private sector and civil society to the HIV/AIDS crisis in Botswana.

Some Lessons and Examples of Corporate Engagement

Impact. For example, global enterprises operating in developing countries frequently pay more and have higher working standards than the national norm. Wages paid by global enterprises to workers in the manufacturing sector in low-income countries are on average double that of their counterparts working for domestic firms.\textsuperscript{15} Royal Dutch/Shell reports that the lowest wage it paid to any of its employees worldwide in 2001 was $50 per month plus $18 transport allowance and medical and life insurance benefits in an African country, compared to the local minimum wage of $28 per month.\textsuperscript{16} Such workplace practices, which set higher domestic norms, can have significant, lasting, and beneficial impacts on the local economy. The impact of such programs comes from their direct integration into a firm’s operations and the demonstration effect they can have in pulling other firms upwards towards their standards. However, such integration makes it virtually impossible for them to be quantified. (See box.)

Corporate philanthropy lends itself toward better quantification, although reporting is poor and disaggregation between domestic and international programs is limited. Within the United States, corporate and personal philanthropy is focused overwhelmingly on domestic causes. In 1990, international causes received 1.3 percent of all private giving. However, a shift toward international causes is discernable, as total charitable giving between 1998 and 2001 rose by 12 percent, and giving to international causes rose by 32 percent.\textsuperscript{17}

**HOW TO MANAGE?**

Social engagement must be managed by the corporation in a manner that simultaneously provides benefits for recipients and for the corporation. Clearly, activities that are integral to company operations are managed within the company. Some charitable programs are also managed directly by the corporation; others are formed as joint partnerships with NGOs, governments, and multinational institutions such as the World Bank.

To assist in managing social programs, several of the organizations concerned with such programs have established management handbooks, guidelines, and codes of conduct. Most maintain websites, which contain useful information and case studies of successful efforts.
For example, the UN Global Compact maintains a “learning bank” and other information databases to help businesses that want to achieve social goals. Similarly, a “Good Practice Manual” has been prepared by the International Finance Corporation (IFC) to provide guidance to private sector entities operating under IFC programs. The handbook emphasizes public disclosure of information, consultation with the public, and operating in a manner that is sensitive to local environmental and social goals. Companies receiving IFC support are required to comply with stringent labor and environmental standards. The handbook, however, could also be a useful guide for companies not operating under IFC auspices.

Other, private, organizations have established codes and certifications that can help firms integrate social considerations into their operational policies. Many individual firms establish their own codes or statements of principles. Other codes are the product of international agencies. Still others are created by NGOs. A recent survey by the OECD identified 246 codes, which set forth standards and principles for business conduct. (See box.) All are intended to help the firm improve its management of labor, environment, and other social issues and give the firm recognition for its compliance with such standards.

† The IFC is the private sector arm of the World Bank Group. Its focus is to promote economic development by encouraging the growth of productive enterprise and efficient capital markets in its member countries.

**RAISING WORKPLACE STANDARDS**

When corporations expand or transfer operations from a more developed country to a less developed one, it can often have the effect of improving labor conditions in the developing country by raising the bar for workplace standards. Corporations from more developed countries are accustomed to stricter labor requirements and also possess the resources to implement them. While many companies take advantage of the lower labor costs in developing countries, they can still afford to offer working conditions well above the local norm. This results in improvements for local workers such as higher wages, cleaner and safer working conditions, increased training, and better health care.

The Philippines

In the Philippines, the government has gone to much effort to make the country a welcoming place for business by enacting tax incentives and by ensuring that the population is skilled in technology and proficient in English. Information technology (IT) companies rewarded these initiatives by flooding the country with new jobs in customer service call centers, wireless applications development, and a number of other technology-related industries. The Philippines are now widely regarded as one of the leading IT and customer service management centers in Asia. The country has outpaced many developed nations, such as Israel or France, in the export of high-tech products.

Jobs like those offered at the America Online (AOL) customer service center offer many Filipinos an escape from poverty. Before the IT deluge, many college graduates with degrees in technical fields were forced to take jobs as clerks or factory workers, while others remained unemployed. The AOL call center alone employed 900 Filipinos, paid triple the local minimum wage and provided its employees with other benefits such as a free bag of rice twice a month, health care, and one meal a day. The employees also received free phone and Internet services, which most did not have access to at home.

For example, ISO 14000 is a set of voluntary standards under the auspices of the International Standards Organization (ISO) that address technical issues in environmental management systems, auditing, labeling, performance evaluation, and life cycle assessment. AccountAbility (see Appendix) has established its “AA1000 Framework: Standard, Guidelines and Professional Qualification,” a systematic approach used to frame corporate responsibility policies, stakeholder dialogue, social, ethical and environmental accounting auditing and reporting, professional training, and research and related standards work. Social Accountability International (SAI, see Appendix) has developed its SA8000 workplace standard that covers key labor rights and certifies compliance through independent, accredited auditors. The Global Reporting Initiative (GRI) promotes international harmonization in the reporting of relevant and credible corporate environmental, social and economic performance information to enhance responsible decision-making.

Many firms initiate charitable programs in developing countries that build on programs they have started in the United States or other advanced economies. Such programs may have established reputations for recognized achievements. Often these programs need modification to fit within the developing country context, but they have the advantage of starting from a base of experience. As in most business enterprises, managers often learn by doing. Trial and experimentation lead to program improvements. Educational programs initiated by IBM provide a good example. (See box.)

Program management also raises the question of how a firm’s individual programs intersect with other national, bilateral, and multinational development programs. Corporate

**OECD EVALUATION OF CODES OF CORPORATE RESPONSIBILITY**

The Organization for Economic Cooperation and Development (OECD) examined an inventory of 246 codes of corporate conduct, issued by individual companies, business associations, and stakeholder partnerships. According to the OECD, all of the codes are voluntary expressions of commitments that surpass legal requirements. They address governmental and public concern over the economic, social, and environmental impact of global enterprises.

The examination focused on whether, and how, nine key issue areas were addressed. These areas are: “environmental stewardship, labor standards, science and technology, competition, information disclosure, taxation, bribery and corruption, and consumer protection.”

The results indicate most major firms issue codes of business conduct that emphasize a commitment to the three major components of sustainable development (economic, social, and environmental stewardship). Despite some uniformity of coverage, the codes vary in many ways. Most notable are differences in commitment and implementation.

For example, virtually all individual firm’s codes address the problems of bribery and corruption as well as environmental standards. Many also address labor relations. Some codes treat these issues broadly while others include more detailed topics, such as union association privileges. Documents addressing corruption are much more likely to discuss implementation procedures and disciplinary action than those dealing with environmental oversights. Within specific issue areas, guidelines show significant distinctions between actions expected of company employees and suppliers and business partners. In some, the language promotes internal assessment of company performance while in others it focuses more on punitive action if codes are not upheld.

policies that help establish higher workplace norms are probably less subject to coordination problems than defined social programs. As noted elsewhere such programs are highly diverse and company specific. To achieve the highest effectiveness, company sponsors may need to work closely with local development authorities or engage in coalition efforts such as the Merck and Pfizer HIV/AIDS programs described above.

**IBM: “IT’S NOT JUST GOOD DEEDS, IT’S GOOD BUSINESS”**

In 2000, the value of IBM’s philanthropic donations exceeded $120 million and consisted of cash donations, community service, and computer equipment. IBM’s major focus, however, remains on education programs. Of the $126.1 million that IBM contributed through its global contributions program and community relations activities, 70% was devoted to education. Two of IBM’s most prominent efforts in this area are its Reinventing Education grant program and its KidSmart Early Learning Program.

**Reinventing Education**

The $45 million Reinventing Education program is the centerpiece of IBM’s commitment to improved education. Through the grant program, IBM works with school partners around the globe to develop and implement innovative technology solutions to address education’s significant problems. Beginning in 1994, IBM established sites to support fundamental school restructuring in nine states around the United States, and in 1997, issued 12 additional grants, replicating the most successful elements of the original sites. Building on the success of the program within the United States, IBM has launched sites internationally in developing countries such as Brazil, Vietnam, and Singapore. At each site, IBM contributes the funds, researchers, and technology necessary to modernize school systems. In Singapore, IBM collaborated with the Ministry of Education in a public-private partnership combining increased technology in schools with advanced teacher training and professional development. Evaluations from the Center for Children and Technology and from the Harvard Business School give Reinventing Education credit for a noticeable positive impact in school participants.

**KidSmart Early Learning Program**

The KidSmart Learning Program is an effort by IBM to provide preschool-aged children with access to, and familiarity with, computers. In the program, IBM has worked with the United Way of America to bring over six thousand Young Explorer workstations—personal computers designed specifically for preschool children—to nonprofit daycare centers and pre-schools in over 1000 locations throughout the United States. Since the program’s inception in 1998, over 1 million benefited from exposure to computers; the vast majority of these children come from low-income families who would otherwise be unable to gain access to new technologies and the Internet. Again, IBM is building on its success by bringing KidSmart to developing countries such as Peru, Thailand, and South Africa.

**HOW TO EVALUATE?**

Corporate social programs are as vulnerable to waste and abuse as national and international development programs. Funds can be misdirected or fail to achieve optimal results. Decision makers need some means of evaluating program effectiveness and making decisions about the program’s future course. In addition, NGOs and other independent
organizations seek the means to verify that businesses are living up to commitments they make in signing on to a code. Various solutions have emerged in response to the need for evaluations. Private accounting and auditing firms such as KPMG and PricewaterhouseCoopers carry out verification and evaluation services. In addition, NGOs and specialized private firms monitor compliance with codes, as does the ISO with respect to its standards.¹⁹

An increasingly central element in evaluation is published self-evaluation. The annual publication of “triple bottom line” and GRI reports, or other detailed reports that credibly evaluate corporate performance in developing countries against set standards and published business codes and sets of principles, are setting a new benchmark. The best of these reports involve corporations undertaking internal reviews, discussing their performance in detail with NGOs and other stakeholder groups, and involving audit firms in aspects of the review. The annual Shell report, People, Planet and Profits, sets a high standard of best practice.²⁰ By staking its reputation on this kind of public monitoring Shell has found it had to develop effective incentives for its managers, starting at the top (every country chairman in the Shell Group has to provide a comprehensive annual report on performance against the Shell business principles) and bonus payments take into account performance in this social area. Thus, public accountability forces firms to seek excellent performance, which demands establishing meaningful management practices for the growing range of social policies and programs that global enterprises need to pursue as they build their global operations and demonstrate global corporate engagement.

Evaluation is also important from a social perspective. How can society ensure that its priorities, beyond those of the firm, are being met? How can private programs be integrated with national and multinational development programs? How can society guard against unintended consequences that might result from corporate social programs? For example, corporate programs may inadvertently empower one social group at the expense of another, thereby creating or exacerbating social frictions. Alternatively, a program may create new problems, even as it tries to solve an old one, and state intervention to correct the problem may make things even worse. The experience of Nestlé is instructive.²¹ In 1981, UNICEF and the World Health Organization (WHO) prohibited Nestlé from distributing free infant formula in developing countries, because dependency on unclean sources of water to mix with powdered formula led to infant deaths. Twenty years later, infants are dying from AIDS that they contracted from their mother’s infected breast milk, and activists are calling on Nestlé and other formula makers to contribute free infant formula to reduce dependency on mother’s milk.† But restarting that program would only make sense if clean water can be guaranteed, a function more appropriate to governments.

One concern that has been articulated with regard to social activities is that corporate social spending not lead to the substitution of business spending for programs that should be more properly run (and paid for) by government. No clear boundary separates corporate social engagement programs from government programs. Nevertheless, business-based programs are likely to derive from different motivations, be operated with different objectives, and be responsible to different constituencies than government-run programs. Recognition must also be paid to the potential role that NGOs can play in the delivery of social programs and the promotion of social goals. Care must be taken to preserve the appropriate roles of government, business, and civil society, even when their relative competencies may make it expedient to rely on business to accomplish social goals in the short term. The ultimate goal must be to build the capacity of domestic government and not to become overly dependent on business largess for critical social programs.

† The ban, however, is still being upheld.
Global companies make practical business decisions to invest in, buy from, and sell to developing countries. Those activities promote economic growth and poverty reduction. Decisions to invest in corporate social policies and programs are no less practical or business-based. They are valuable both to the business and to the recipient nation. Global businesses can do more to improve conditions in the developing countries. On close examination, many firms will find that when they invest in initiatives that help the host country, they, in turn, benefit because their commercial success is directly affected by local economic and social conditions. Although businesses should neither be expected to perform the functions of government nor mandated to perform non-commercial, social activities, significant room remains for global businesses to voluntary engage in the types of initiatives described in this report.

In sum, CED recommends that U.S.-based global enterprises strive to act at the same high standards of corporate engagement in all countries in which they operate, making no distinction in aspiring to reach those levels between operations in the United States and abroad, yet recognizing that specific actions need to take into account national customs and traditions.

Models of best practice suggest the following:

- We urge all U.S. companies that trade and invest with developing countries to take a farsighted view of the totality of their relations and self-interest. That view ought to confirm the wisdom of endeavoring to reach the highest standards of corporate engagement.

- In their role as employers, we urge companies to search for options to raise workforce norms and standards.

- Companies should consider expanding their ties to local communities by increasing social engagement efforts. Such programs can build on the company’s core competencies, product characteristics, and operational structures to accomplish social objectives while building value for the company.
Appendix

SELECTED NON-GOVERNMENTAL ORGANIZATIONS THAT PROMOTE CORPORATE SOCIAL ENGAGEMENT

Organizations:
1 – AccountAbility
2 – The Aspen Institute
3 – Business for Social Responsibility (BSR)
4 – Business Partners for Development (BPD)
5 – The Caux Round Table
6 – The Center for Corporate Citizenship at Boston College
7 – Center for Responsible Business
8 – Coalition for Environmentally Responsible Businesses (CERES)
9 – The Conference Board
10 – CSR Europe
11 – EMPRESA
12 – Gifts In Kind International
13 – Global Business Coalition on HIV/AIDS
14 – The Global Compact (UN)
15 – International Corporate Governance Network (ICGN)
16 – The Prince of Wales International Business Leaders Forum
17 – Transparency International
18 – SustainAbility
19 – World Business Council for Sustainable Development
20 – World Economic Forum Initiatives: Global Corporate Citizenship and Global Health

1 – AccountAbility
Website: http://www.accountability.org.uk

AccountAbility is an international, nonprofit, professional institute dedicated to the promotion of social, ethical and overall organizational accountability, a precondition for achieving sustainable development.

YEAR FOUNDED — 1996

MEMBERSHIP
Organizational members include small and large businesses, nonprofit organizations, consultancies, accountancy practices and other service providers, and research and academic institutions. Membership exceeds 300 members in 20 countries.

CODE
Standards: AA1000 Framework: Standard, Guidelines and Professional Qualification — a systematic stakeholder-based approach to organizational accountability and performance improvement used worldwide by leading businesses, non-profit organizations and public bodies in framing corporate responsibility policies, stakeholder dialogue, social, ethical and environmental accounting auditing and reporting, professional training, and research and related standards work.
The Aspen Institute is a nonprofit global forum for leveraging the power of leaders to improve the human condition. Through its seminar and policy programs, the Institute fosters enlightened, morally responsible leadership and convenes leaders and policy makers to address the foremost challenges of the new century.

The Business and Society Program is a policy program of the Aspen Institute concerned with the education of current and future business leaders. The program invests in educators to develop a more effective response to issues at the intersection of business needs and wider societal concerns (social impact management) through classroom discussion and research.

**YEARS FOUNDED — Aspen Institute: 1950
ISIB: 1998**

**MEMBERSHIP**
The Aspen Institute is not a membership organization. It is, however, funded by various foundations and corporations (some of which include Citigroup, Levi Strauss, Enron Corporation, Motorola, Inc. and AT&T).

**CODE**
No specific code

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BSR is a global, non-profit organization that helps member companies to achieve commercial success in ways that respect ethical values, people, communities, and the environment. The organization provides tools, training, advisory services, and collaborative opportunities that help companies integrate socially responsible business practices into their operations and strategies. BSR works with corporate boards, senior executives, operations management and staff, suppliers and global business partners to develop innovative models and leadership practices, implement policies, solve problems, measure results, etc.

**YEAR FOUNDED — 1992**

**MEMBERSHIP**
BSR began working with small to medium sized companies, and now works with companies of all sizes from all sectors (see list below).

**CODE**
BSR does not have a specific code

**ILLUSTRATIVE LIST OF MEMBERS**
- American Express Company
- AT&T Corp.
- The Body Shop USA
- ChevronTexaco Corporation
- Citigroup Inc.
- The Coca-Cola Company
- Deloitte & Touche LLP
- Ford Motor Company
- Gap Inc.
- General Motors Corporation
- Hewlett-Packard Company
- Johnson & Johnson
- Levi Strauss & Co.
- McDonald’s Corporation
- NIKE, Inc.
- Pfizer Inc
- Procter & Gamble
- Reebok International Ltd.
- Sears, Roebuck and Co.
- Shell International
- Starbucks Corporation
- Unilever
- Verizon Communications Inc.
- Wal-Mart
- Yahoo! Inc.
4 – Business Partners for Development (BPD)

Website: http://www.bpdweb.org

BPD was a project-based initiative set up to study, support and promote strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world. Focus projects were grouped into the 4 clusters listed below. While the BPD Initiative ended in December 2001, some of the clusters decided to continue their work.

- Natural Resources
- Water & Sanitation
- Global Partnership for Youth Development
- Global Road Safety

**Year Founded — 1999**

**Membership**
Network of 120 business, civil society, and government organizations

**Code**
Does not have an official code

**Selected Members**
- 3M
- American Express
- BP
- Cisco Systems
- Financial Times/Pearson plc
- Ford Motor Company
- Kellogg Company
- Microsoft
- Nike Corporation
- Rio Tinto
- Shell International
- Volvo Car Corporation

5 – The Caux Round Table

Website: http://www.cauxroundtable.org

The Caux Round Table serves as a stimulus for implementation of its *Principles for Business* regarding sustainable and socially responsible prosperity, conducts Global, Regional and National Dialogues, and publishes Position Papers on key global issues. It is administered by a Chairman and a Global Governing Board.

**Year Founded — 1986**

**Membership**
The Caux Round Table members are senior business leaders and companies committed to be a force for positive change based on the Principles for Business. Membership and participation are obtained by invitation or application, subject to approval by the Global Steering Committee. Participants in the CRT have included individuals from numerous countries, representing a large sampling of business leaders and academics, as well as corporations and organizations working in partnership with the CRT.

**Code**
None

**Selected Members/Affiliates**
- ADC Telecommunications
- Canon, Inc.
- Matsushita Electronic Industries
- Medtronic, Inc.
- NEC Corporation
- Philips Electronics
- Procter and Gamble
- Royal Dutch Petroleum Company
6 – The Center for Corporate Citizenship at Boston College
Website: http://www.bc.edu/centers/ccc

The Center is an educational institution, think tank, consulting firm, and information resource all in one, focused on improving member companies’ ability to build and leverage citizenship efforts. It is involved in research, organizing conventions, consulting, and executive education.

YEAR FOUNDED — 1985

MEMBERSHIP
Varied business organizations (more than 350 corporate members).

CODE
Does not have an official code

SELECTED MEMBERS
• 3M
• Aetna, Inc.
• Air Products & Chemicals Inc.
• America West Airlines
• American Express Financial Advisors
• AOL Time Warner Inc.
• AT&T Foundation
• Bank of America
• BellSouth Corporation
• Boeing Company
• BP Amoco Corporation
• Bristol-Myers Squibb Company
• Daimler Chrysler Corporation
• Delta Air Lines Inc.
• FedEx Corporation
• FleetBoston Financial
• Ford Motor Company
• Freddie Mac
• General Motors Corporation
• Hewlett-Packard Company
• IBM Corporation
• Intel Corporation
• J.P. Morgan Chase & Company
• Johnson & Johnson
• KPMG LLP
• Levi Strauss and Company
• Major League Baseball
• Merck & Co. Inc.
• Monsanto Company
• Morgan Stanley
• Motorola
• Reebok International Limited
• Starbucks Coffee Company
• Unilever HPC USA
• United Parcel Service
• Verizon Foundation

7 – Center for Responsible Business (Formerly Council on Economic Priorities)
Website: http://www.cepny.org/

CEP is a nonprofit public service research organization dedicated to accurate and impartial analysis of the social and environmental records of corporations. CEP specializes in uncovering the truth about corporate behavior, bringing about reform, and enhancing the incentives for superior corporate social and environmental performance. CEP monitors the social and environmental performance of domestic and international companies, offering research to institutional investors, high net worth individuals, NGOs and corporations interested in benchmarking their own social and environmental performance as well as that of their competitors.

YEAR FOUNDED — 1969

CODE
The Council on Economic Priorities’ affiliate, Social Accountability International (SAI), has developed a standard for workplace conditions and a system for independently verifying factories’ compliance entitled Social Accountability 8000 (SA8000). SA8000 and its verification system drawn from established business strategies for ensuring quality (such as those used by the International Standards Organization for ISO 9000) and add several elements that international human rights experts have identified as essential to social auditing.

SA8000 EMBODIES STANDARDS IN 9 CORE AREAS:
• child labor
• forced labor
• health and safety
• compensation
• working hours
• discrimination
• discipline
• free association and collective bargaining
• management systems

SELECTED MEMBERS
List of members not available
CERES is a coalition of environmental, investor, and advocacy groups and companies that work together for a sustainable future; and have committed to continuous environmental improvement by endorsing the CERES Principles, a ten-point code of environmental conduct (see below).

**YEAR FOUNDED — 1988**

**MEMBERSHIP**
The network consists of over 80 organizations (which includes environmental groups, investors, advisors, analysts, and public interest and community groups), as well as over 70 companies of all sizes.

**CODE**
CERES Principles cover 10 identified areas:

— **Protection of the Biosphere:** We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.

— **Sustainable Use of Natural Resources:** We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.

— **Reduction and Disposal of Wastes:** We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.

— **Energy Conservation:** We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

— **Risk Reduction:** We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

— **Safe Products and Services:** We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.

— **Environmental Restoration:** We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

— **Informing the Public:** We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

— **Management Commitment:** We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.

— **Audits and Reports:** We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.

**SELECTED ENDORSING COMPANIES**
- American Airlines
- Bank of America Corporation
- Ben & Jerry’s Homemade, Inc.
- Bethlehem Steel Corporation
- The Body Shop International
- Coca-Cola, USA
- Fleet Boston Financial
- Ford Motor Company
- General Motors Corporation
- Nike, Inc.
- Northeast Utilities
- Sunoco, Inc.
- The Timberland Company
9 – The Conference Board
Website: http://www.conference-board.org/

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. The Board works as a global, independent membership organization whose functions include conducting research, convening conferences, making forecasts, assessing trends, and publishing information and analysis.

Year Founded — 1916

Membership
Membership base is made up of companies of varying size and sector from 66 countries.

Code
No specific code

Selected (U.S.) Members
- 3M
- Aluminum Company of America
- American Express
- AT&T
- Boeing Company
- Bristol-Myers Squibb
- Coca-Cola Co.
- Colgate-Palmolive Co.
- E. I. du Pont de Nemours & Company
- Eastman Kodak Co.
- Exxon Corporation
- Ford Motor Co.
- General Electric Co.
- General Motors Corp.
- Honeywell
- International Business Machines
- Johnson & Johnson
- Microsoft
- PECO Energy Company
- Philip Morris Companies
- Procter & Gamble
- United Technologies

10 – CSR Europe/The European Business Network for Social Cohesion
Website: http://www.csreurope.org

CSR Europe is the business-to-business network for Corporate Social Responsibility (CSR) in Europe. It is a membership-based organization, whose mission is to help companies achieve profitability, sustainable growth, and human progress by placing CSR in the mainstream of business practice.

Date Founded — January 1995

Membership
50 company members

Code
Does not have an official code

Selected Members
- BP
- Citigroup
- Coca-Cola
- Ford Motor Co.
- GM
- IBM
- Intel
- Johnson & Johnson
- KPMG
- Levi Strauss
- Microsoft
- Motorola
- Nestle
- Nike
- PriceWaterhouseCoopers
- Proctor and Gamble
- Shell
- Suez
- Unilever
- Volkswagen
EMPRESA is a hemispheric alliance of CSR-based business organizations and affiliated companies whose shared mission is to promote corporate social responsibility throughout the Americas. EMPRESA provides support to existing CSR-based business organizations and their member companies and assistance to create new CSR-based business organizations active in the Americas.

**Year Founded — 1998**

**Membership**
Membership consists of non-profit business organizations committed to corporate social responsibility in the Americas

**Code**
No specific code

**Selected Members**
- Acción Empresarial
- Alianza para la Responsabilidad Social Empresarial (AliaRSE)
- Business for Social Responsibility (BSR)
- Fundemas
- Instituto Ethos
- Peru 2021
- Prince of Wales International Business Leaders Forum

Gifts In Kind is a charitable organization that designs and manages the donation process of products, goods, and services to charities and schools worldwide for top manufacturing and retail companies (at no cost to donor companies).

**Year Founded — 1983**

**Membership**
Gifts In Kind International is not a membership organization, but a provider of services to many corporate partners. Corporate partners include top manufacturers and retailers, including 40 percent of the Fortune 500 companies.

**Code**
Does not have an official code

**Selected Corporate Partners**
- 3M
- AOL Time Warner
- Avon
- Compaq
- GAP
- General Electric
- Gillette
- Hallmark
- Hertz
- Home Depot
- IBM
- Ikea
- Sears
- Starbucks
- Texaco
- Toys R Us
- Verizon
13 – Global Business Coalition on HIV/AIDS
Website: http://www.businessfightsaids.org/

The Global Business Coalition on HIV/AIDS is a coalition of international businesses dedicated to combating the AIDS epidemic through the skills and expertise unique to the business sector. They use a combination of advocacy, policy development, and grassroots action with member companies and other stakeholders. The Coalition:
- monitors the latest developments on HIV/AIDS and corporate responsibility for its members;
- researches and evaluates the impact support for AIDS causes has on businesses and society; and,
- collaborates with businesses and business organizations in countries heavily effected by the epidemic — provides technical advice and advocacy support.

Year Founded — 1997

Membership
Membership consists of international businesses representing a full range of industrial sectors and regions (66 members).

Code
Does not have an official code

Selected Members
- AOL Time Warner
- American Express Company
- American International Group
- The Body Shop
- Bristol-Myers Squibb
- Calvin Klein
- Chevron Texaco
- The Coca-Cola Company
- DBM Associates
- Daimler Chrysler AG
- De Beers Group
- Exxon Mobil Corporation
- Fannie Mae
- First Rand Bank
- Heineken N.V.
- Hewlett-Packard Company
- Levi Strauss & Co.
- McKinsey & Company
- Merck & Co., Inc.
- MTV Networks International
- National Basketball Association
- Pfizer Inc.
- Polaroid
- Unilever plc
- Viacom International

14 – The Global Compact (UN)
Website: http://www.unglobalcompact.org

The Global Compact is a value-based platform designed to promote institutional learning created by the UN Secretary-General, representatives of business, international labor, and civil society organizations. The Compact will establish a learning bank (showcasing what works and how to avoid mistakes), conduct issue dialogues, and generate partnership projects.

Date Founded — July 26, 2000

Membership
Membership base consists of private companies (listed below), international inter-sectoral business associations, international sectoral business associations, labor, civil society organizations, academic institutions, think tanks (world-wide), and national associations.

Code
The Global Compact is not a regulatory code of conduct, but does ask companies to act on the following 9 principles (all of which fall into the categories of human rights, labor and the environment).

The Secretary-General asks world business to/support:
- support and respect the protection of international human rights within their sphere of influence;
- make sure their own corporations are not complicit in human rights abuses;
- 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;
- a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.

Selected Participating Companies
- Bayer AG
- BMW
- BP
- Cisco Systems
- Credit Suisse Group
- DaimlerChrysler
- Deloitte Touche Tohmatsu
- Deutsche Bank
- DuPont
- Nike
- Nokia
- Pfizer Inc.
- Rio Tinto
- Shell International Ltd.
- Unilever
- Volvo
15 – International Corporate Governance Network (ICGN)
Website: http://www.icgn.org/

The purpose of the ICGN is to provide a network for the exchange of views and information about corporate governance issues internationally and for the development of corporate governance guidelines.

DATE FOUNDED — March 29, 1995

MEMBERSHIP
Principally made up of financial organizations

CODE
No specific code

SELECTED MEMBERS
• ABP
• Association Francaise de la Gestion Financiere
• Barclays Global Investors
• Capital Group
• CDC Investment Management
• Deutsche Boerse
• European Association of Securities Dealers
• European Federation of Investment Funds and Companies
• Fidelity
• Hermes Investment Management
• Paris Bourse
• SPP Investments
• TIAA-CREF
• Trust Company of the West
• Unicredito Italian

16 – The Prince of Wales International Business Leaders Forum
Website: http://www.iblf.org/

The International Business Leaders Forum is an international educational charity set up to promote responsible business practices internationally that benefit business and society, and which help to achieve social, economic, and environmentally sustainable development, particularly in new and emerging market economies.

Activity is focused on:
• advocacy of the case for business social responsibility and partnership;
• brokerage of partners;
• capacity-building in training managers and partners for leadership and action; and,
• dissemination of ideas and good practices.

DATE FOUNDED — 1990

MEMBERSHIP
The Forum is supported by more than 65 major multinational companies from Europe, America, Asia, and the Middle East. Members represent a broad range of business sectors and world regions, with the common thread that all have strong interests in developing or transition economies.

CODE
Does not have an official code

PRINCIPAL SUPPORTERS/ COUNCIL MEMBERS
• 3M
• Accenture
• AOL Time Warner
• BMW
• BP
• Chevron Texaco
• Chiquita Brands Inc.
• Coca-Cola
• Ford
• Johnson & Johnson
• KPMG
• Levi Strauss & Company
• McKinsey & Company
• Mitsubishi
• Morgan Stanley International
• Nestlé
• PricewaterhouseCoopers
• Rio Tinto
• Shell Transport & Trading
• Toyota Motor Corporation
• Unilever
• Volkswagen
Transparency International (TI) is an international non-governmental organization devoted to combating corruption. TI’s functions include raising awareness about the damaging effects of corruption, advocating policy reform, working towards the implementation of multilateral conventions and subsequently monitoring compliance by governments, corporations and banks. In addition, chapters at the national level work to increase levels of accountability and transparency by monitoring the performance of key institutions and pressing for reforms in a non-partisan manner.

**YEAR FOUNDED — 1993**

**VALUES:**
- Transparency
- Accountability
- Solidarity
- Courage
- Justice
- Democracy

**GUIDING PRINCIPLES:**
1. As coalition builders, we will work cooperatively with all individuals and groups, with for profit and not for profit corporations and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.
2. We undertake to be open, honest and accountable in our relationships with everyone we work with and with each other.
3. We will be democratic, politically non partisan and non sectarian in our work.
4. We will condemn bribery and corruption vigorously and courageously wherever it has been reliably identified, although we ourselves do not seek to expose individual cases of corruption.
5. The positions we take will be based on sound, objective and professional analysis and high standards of research.
6. We will only accept funding that does not compromise our ability to address issues freely, thoroughly and objectively.
7. We will provide accurate and timely reports of our activities to our stakeholders.
8. We will respect and encourage respect for fundamental rights and freedoms.
9. We are committed to building, working with and working through national chapters worldwide.
10. We will strive for balanced and diverse representation on our governing bodies.

**SELECTED PRIVATE SECTOR CORPORATE CONTRIBUTORS TO THE U.S. CHAPTER (TI USA)**
- American International Group
- Arthur Anderson & Company
- BP Amoco
- Bank of America
- The Boeing Company
- Bristol Myers Squibb
- CMS Energy Company
- Enron Company
- ExxonMobil Corporation
- Ford Motor Company
- General Electric
- Honeywell Incorporated
- Lockheed Martin Corporation
- Merck
- PriceWaterhouseCoopers
- Prudential Insurance
- Unocal Corporation
18 – SustainAbility
Website: http://www.sustainability.com/

SustainAbility is a strategic management consultancy and think-tank (for profit) dedicated to promoting the business case for sustainable development. It helps to identify and carry out problems, agendas, priorities, strategies, reviews, etc. while focusing on encouraging stakeholder dialogue. Promotes practices (which make up the “triple sustainability bottom line of sustainable development”) that are economically competitive, environmentally sound, and socially responsible.

**YEAR FOUNDED — 1987**

**MEMBERSHIP**
Membership consists of a wide range of national and international organizations, including NGO and corporate sector clients.

**CODE**
Does not have an official code

**SELECTED CLIENTS**
- Bayer AG
- BMW Group
- Bristol Myers Squibb Company
- British Petroleum
- British Airways
- British Telecom BT
- Credit Suisse
- Dow Chemical
- Ford Motor Company
- General Motors Corporation
- Greenpeace International
- IBM Corporation
- Intel Corporation
- Monsanto
- Nike
- PG&E National
- Procter & Gamble
- Shell International
- Sony
- Unilever
- Volvo
- Volkswagen
- World Resources Institute (WRI)
- Worldwide Fund for Nature (WWF)

19 – World Business Council for Sustainable Development
Website: http://www.wbcsd.org/

The World Business Council for Sustainable Development is a coalition of international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance, and social progress.

**DATE FOUNDED — January 1995**
The WBCSD was formed through a merger between the Business Council for Sustainable Development (BCSD) in Geneva and the World Industry Council for the Environment (WICE) in Paris.

**MEMBERSHIP**
160 international companies from more than 30 countries and 20 major industrial sectors.

**CODE**
Does not have an official code

**SELECTED MEMBERS**
- 3M
- adidas-Salomon
- AT&T
- Alcoa
- AOL Time Warner
- Bayer
- The Boston Consulting Group
- Cargill
- ChevronTexaco
- The Coca-Cola Company
- DaimlerChrysler
- Deloitte Touche Tohmatsu
- Deutsche Bank AG
- Dow Chemical
- Dow Corning Corporation
- DuPont
- Ford Motor Company
- General Motors
- Johnson & Johnson
- KPMG
- Lafarge
- L’Oréal
- Michelin
- Mitsubishi Corporation
- Monsanto
- Nestlé
- Nokia
- Sony
- Toyota
- Unilever
The World Economic Forum's Global Corporate Citizenship Initiative is intended to increase businesses' engagement in and support for corporate social responsibility as a business strategy with long-term benefits both for the companies themselves as well as society in general. It operates through cooperation with leading business leaders and by discussing corporate citizenship at various Forum events.

YEAR FOUNDED — 2001

MEMBERSHIP
The Global Corporate Citizenship Initiative launched the CEO-led statement Global Corporate Citizenship: The Leadership Challenge for CEOs and Boards at the Annual Meeting 2002. More than 40 chief executive officers from a variety of sectors and regions have currently signed the document. Participation consists of more than 40 Forum member companies committed to corporate citizenship, as well as representatives from other organizations and initiatives with specific knowledge in the area.

The joint statement by a task force of World Economic Forum CEOs recommends a framework for action that chief executives, chairpersons, board directors and executive management teams can use to develop a strategy for managing their company's impact on society and its relationships with stakeholders. The framework produces a template for a leadership process within the company and is intended to be complementary to the various voluntary corporate citizenship principles and guidelines that have been developed in specific issue areas.

CODE
Does not have an official code

SELECTED MEMBERS
- ABB
- Abbott Laboratories
- Arthur D. Little
- The Coca-Cola Company
- DHL Worldwide Express
- Deloitte Touche Tohmatsu
- Diageo
- McDonald’s Corporation
- Merck & Co.
- Pricewaterhouse-Coopers
- Renault
- Rio Tinto
- S.C. Johnson & Son
- Siemens
- UBS

The World Economic Forum's Global Health Initiative is a collaboration of companies whose purpose is to facilitate and stimulate greater corporate engagement in the fight against HIV/AIDS, TB, and malaria.

YEAR FOUNDED — 2001

MEMBERSHIP
Companies representing the automotive, consumer goods, energy, food and beverage, management consulting, media, metals and mining, pharmaceuticals and telecommunications sectors from around the world (some listed below), have joined the Global Health Initiative which also collaborates with UNAIDS and the World Health Organization’s Roll Back Malaria and Stop TB programs, as well as many NGOs, including the International AIDS Vaccine Initiative (IAVI), the Global Alliance for Vaccines and Immunization (GAVI), the Medicines for Malaria Venture, the Gates Foundation, the Open Society Institute/Soros Foundation, the Global Business Council on HIV & AIDS, and the International Business Leaders Forum. In addition, The Global Health Initiative has worked with a number of academic institutions, particularly Harvard University’s Center for International Development and Schools of Medicine and Public Health.

CODE
Does not have an official code

SELECTED MEMBERS
- Alcoa Inc.
- A T Kearney Inc.
- Boston Consulting Group
- Bristol Myers Squibb
- The Coca-Cola Company
- DaimlerChrysler AG
- DeBeers Consolidated
- Exxon Mobil Corporation
- McDonald’s Corporation
- McKinsey and Company
- Merck and Company Inc.
- MTV International
- Nestlé SY
- Pfizer Inc
Endnotes


For 60 years, the Committee for Economic Development has been a respected influence on the formation of business and public policy. CED is devoted to these two objectives:

To develop, through objective research and informed discussion, findings and recommendations for private and public policy that will contribute to preserving and strengthening our free society, achieving steady economic growth at high employment and reasonably stable prices, increasing productivity and living standards, providing greater and more equal opportunity for every citizen, and improving the quality of life for all.

To bring about increasing understanding by present and future leaders in business, government, and education, and among concerned citizens, of the importance of these objectives and the ways in which they can be achieved.

CED’s work is supported by private voluntary contributions from business and industry, foundations, and individuals. It is independent, nonprofit, nonpartisan, and nonpolitical.

Through this business-academic partnership, CED endeavors to develop policy statements and other research materials that commend themselves as guides to public and business policy; that can be used as texts in college economics and political science courses and in management training courses; that will be considered and discussed by newspaper and magazine editors, columnists, and commentators; and that are distributed abroad to promote better understanding of the American economic system.

CED believes that by enabling business leaders to demonstrate constructively their concern for the general welfare, it is helping business to earn and maintain the national and community respect essential to the successful functioning of the free enterprise capitalist system.
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Munger, Tolles & Olson

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Human Genome Sciences, Inc.

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Corporate Social Responsibility Associates

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UBS Warburg LLC

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The Blackstone Group

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Apache Corporation

ARNOLD B. POLLARD, President and Chief Executive Officer
The Blackstone Group

HUGH B. PRICE, President
National Urban League

GEORGE A. RANNEY, JR., President and Chief Executive Officer
Chicago Metropolis 2020

NED REGAN, President
Baruch College

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Deposit Guaranty Corporation

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<td>Consejo Empresario de America Latina</td>
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<td>China Institute for Reform and Development</td>
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