
Introduction

JCC Theme Issue: *The United Nations Global Compact*

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THIS EDITION OF *THE JOURNAL OF Corporate Citizenship* focuses on the UN Global Compact, details of which can be found at www.unglobalcompact.org. The Global Compact is in its infancy and the articles in this issue are tentative and exploratory, as is the Compact itself.

Bringing us up to date on the development and progress of the Compact is the Executive Director, Georg Kell. He says that after 36 months of life:

Dialogue as an engagement mechanism has three broad objectives for 2003. First, it will seek greater practical application of outcomes, using a variety of forums. Second, the Compact will aim at reinforcing the capacity to conduct multi-stakeholder dialogues . . . Third, the concept of identifying and developing external champions will be further honed, and technology will be leveraged to the maximum to manage a larger number of dialogues.

The second round of the Compact's Learning Forum took place in Berlin late in 2002 and Sandra Waddock, the General Editor of *JCC*, was there to record the event and provide us with an extensive report and

commentary on the unfolding of this experiment in global conversation. The results do not show significant progress in documenting company engagement and implementation since the first conference in London in 2001. Indeed, many of the conclusions reiterate the need for more in-depth case studies of company activities that exemplify the ability of the Global Compact to make real changes to people's lives.

But the Global Compact is new, and it does appear to be working in three ways:

- ▶ A values-based social partnership
- ▶ A global social network for supraterritorial conversation
- ▶ A local or regional boundary-breaking convening platform for meetings

Evidence of this level of activity can already be seen, and has been evidenced by business, governments, NGOs and academics around the world since the launch of the Compact in July 2000. But still more exciting is the possibility of seeing the Compact as a vehicle for greater and higher-

quality multidisciplinary thinking and cross-sectoral partnerships. Faith in this further process is based on the theory that in order to engage with the world we need to complement our current disaggregation of the world with a more integrated, co-ordinated and complex view of the relationship between people and planet. The Global Compact may help us achieve this (McIntosh *et al.* 2003).

Tom Donaldson proclaims that the Global Compact sets the world 'a tall, tall task', not least because 'much of the Compact seems to require not only self-interest, but heart' and 'positive rights' which in turn require that 'people and corporations actually *do* things!' As Donaldson points out, 'the very name Global Compact suggests a hypothetical, implicit, social contract'.

Jim Post and Tanja D. Carroll, writing of the extended nature of multinational enterprises, call for more learning and conversation between business and communities in order to harmonise economic and social goals. As they say: 'The complexity of the networks that support the enterprise is the signal feature of the extended enterprise and its principal vulnerability.' Just as the extended enterprise depends on the flow of information and resources, so too will the success of the Global Compact be judged.

Writing from a legal perspective, Lisa Whitehouse looks at two definitions of corporate responsibility—as citizenship that goes beyond compliance and as responsibility that simply means compliance. She says that the citizenship model is in favour and the Global Compact is one testimony to this view, but that, in order to produce 'broad-based reform of corporate activity', both approaches are necessary.

Even a cursory examination of the nine principles of the Global Compact (see page 34) leads to the conclusion that the language of the labour principles has greater clarity and prescription than the human rights and environment principles. Ian Hurd writes of the labour standards in general and in particular with regard to the Global Compact. He notes that the Compact is 'an intriguing piece of constitutional design in inter-

national relations' and could, through its own inherent legitimacy, promote the regulation of labour standards through 'a combination of legitimacy and self-interest'.

If action is needed to show that the Global Compact has legs, then the case studies from Novartis and the Australian City of Melbourne are just that. Both are complex organisations with sophisticated systems and both are interested in the feedback that come from using instruments such as the Global Compact. As Klaus Leisinger from Novartis says:

Implementation of the UNGC was seen from the outset as an open-ended *process* and not as a *programme* that has a particular point of departure that is followed, after attaining a specific objective, by a predetermined end. The aim of this approach is to achieve a *feedback-controlled* management cycle that not only keeps the implementation alive but also constantly renews it by injecting it with new impetus.

David Teller hopes for similar results in adopting the Global Compact at urban community level in the City of Melbourne:

The Global Compact Cities Programme proposes a novel approach whereby traditional inter-sector silos will be broken down and scarce public and private resources harnessed and focused in order to bring business, local government and civil society together to develop action-oriented projects with concrete outcomes of clear benefit to the city.

One of the biggest challenges facing the Global Compact over the coming year is how to ensure that company signatories actively seek to integrate Compact principles in their business activities. The Compact's advisory council is currently exploring how to enhance the accountability and transparency of participating companies with regard to the practical application of Compact principles in their organisations.

Together McIntosh, Kell and Waddock are editing an extended set of articles on the Compact which will be published by Greenleaf in June 2004 under the title of *Learning to Talk: The Early Years of the UN*

Global Compact with a Foreword by the UN Secretary-General Kofi Annan.

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Reference

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Professor **Malcolm McIntosh** is an independent writer, broadcaster and teacher on corporate citizenship, sustainability and accountability. He is a Special Advisor to the UN Global Compact and a Visiting Professor at the

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Rupesh Shah joined the New Academy of Business in November 2001 as an action researcher. He has been working on research and educational projects, with a view to integrating action

learning processes into the work of the New Academy. He has worked with David Murphy on collaboration with United Nations Volunteers aimed at both exploring and enhancing the relations between communities and business in seven majority-world countries. This work has involved supporting the United Nations Volunteers country specialists with experience in action research and sustainability in organisations. He has also supported the New Academy's educational work with the University of Bath, through teaching on both the MSc in Responsibility in Business Practice and the MBA. He has started exploring a stream of work relating to business education in schools. With Malcolm McIntosh and David Murphy, Rupesh has been editing an eclectic collection of articles, essays and think-pieces creating trust in organisations, for a book entitled *Something To Believe In* (Greenleaf Publishing, Autumn 2003). Rupesh completed a PhD from the School of Management, Centre for Action Research in Professional Practice at the University of Bath in 2001. Working with his practice of research, he explored the connections between personal and organisational change and the creation of ecologically sustainable forms of human development. The context of this was the collaboration between an NGO and business in the UK and Nigeria and his own attempts at research collaboration with these organisations.



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