



SERIES SOCIO-ECONOMY OF SOLIDARITY

Companies and solidarity

PROPOSAL PAPERS FOR THE XXIST CENTURY - CHARLES LEOPOLD MAYER EDITIONS

Proposal papers for the 21th century

The proposal papers are a collection of short books on each decisive area of our future, which assemble those proposals that appear the most capable of bringing about the changes and transformations needed for the construction of a more just and sustainable 20th century. They aim to inspire debate over these issues at both local and global levels.

The term 'globalisation' corresponds to major transformations that represent both opportunities for progress and risks of aggravating social disparities and ecological imbalances. It is important that those with political and economic power do not alone have control over these transformations as, trapped within their own short-term logic, they can only lead us to a permanent global crisis, all too apparent since the September 11th attacks on the United States.

This is why the Alliance for a Responsible, Plural and United World (see appendix) initiated, in 2000-2001, a process of assembling and pinpointing proposals from different movements and organisations, different actors in society and regions around the world. This process began with electronic forums, followed by a series of international workshops and meetings, and resulted in some sixty proposal texts, presented at the World Citizen Assembly held in Lille (France) in December 2001.

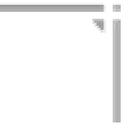
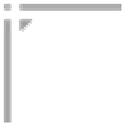
These texts, some of which have been completed and updated, are now in the process of being published by a network of associative and institutional publishers in 6 languages (English, Spanish, Portuguese, French, Arabic and Chinese) in 7 countries (Peru, Brazil, Zimbabwe, France, Lebanon, India, China). These publishers work together in order to adapt the texts to their different cultural and geopolitical contexts. The aim is that the proposal papers stimulate the largest possible debate in each of these regions of the world and that they reach their target publics whether they be decision-makers, journalists, young people or social movements.

Presentation of the Paper

« Companies and solidarity »

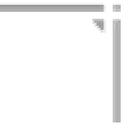
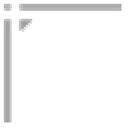
If the main question is how to invert the aims of the economy, in order to reinsert mankind in the core of the project, and in which the companies are just one of its parts, an initial debate concerns the level of the business enterprises' responsibility for the process of globalization and its effects. There is not necessarily a contradiction between the concept of enterprise and that of solidarity. The desire to be "a good citizen" was, until recently, part of the agenda of numerous companies. They were forced to restructure by the recent changes in the world of finance and commerce otherwise they would not develop, and very frequently, nor even survive. In this way, they became organizations with just an economic aim, making them lose the sense of belonging to their milieu, and hence even their own identity. The considerable influence of companies on the daily life of an ever-greater number of individuals cannot be denied. Legally speaking, a company is not considered to be a collective good, but it has social and environmental responsibilities.

However, if the States are incapable of making companies fulfil their legal obligations to society, who is going to regulate the social responsibility of enterprises, and how? It can be appreciated that the reactions of consumers (a call for boycott, the opinion campaign for clean clothes), investors (the emergence of company assessment agencies and organizations who analyze the social and environmental performance of companies, wage saving) are becoming more and more relevant. Certain companies have established their own code of ethics, codes of conduct, or have recourse to audits of social conformity. The question of the company's position in society and how it approaches solidarity assumes another dimension. What is at stake in terms of solidarity, on one hand, among the companies and, on the other hand, among them and the players who shape the environment for the companies themselves, beyond their relationship with society as a whole?



Companies and solidarity

Paper coordinated by Martial Cozette, Laurent Fraisse, Muriel Wolfers



1. Report and diagnosis

If the main question is how to invert the aims of the economy, in order to reinsert mankind in the core of the project, and in which the companies are just one of its parts, an initial debate concerns the level of the business enterprises' responsibility for the process of globalization and its effects.

Several approaches could be used:

There is not necessarily a contradiction between the concept of enterprise and that of solidarity. The desire to be “a good citizen” was, until recently, part of the agenda of numerous companies. They were forced to restructure by the recent changes in the world of finance and commerce (borders became very easy to cross, the internationalization of financial markets, concentration, all of which is attributed to the revolution of communications and data transmission) otherwise they would not develop, and very frequently, nor even survive.

In this way, they became organizations with just an economic aim, making them lose the sense of belonging to their milieu, and hence even their own identity. They abandoned, without too much thought, their responsibilities (with regard to succession, that is to say, their role in terms of the new generation, the place of women, the environment, etc.).

It can conversely be maintained that the exclusive search for growth to the detriment of other needs of mankind is intrinsic to the history of transnationals.

The history of multinationals in the twentieth century is marked by merciless struggles between them and by their reckless financing, which generated innumerable wars and coups d'état (for example, the coup d'état against Aristide in Haiti, in 1991, financed by assembly companies to prevent an increase of the workers' salaries from \$1.76 to \$2.94 dollars a day).

It is legitimate, then, to ask oneself about how much credit can be given to the new human face of business enterprises. For example, British Petroleum, one of 40 members of the “Global Compact”, even though has denied accusations of having financed the Colombian paramilitary, admits having financed the Colombian army “for purely defensive purposes“. The same British Petroleum reduced its staff by half between 1990 and 1996, while it quintupled its profits between 1993 and 1996. Suez Lyonnaise and its affairs of corruption in France and in Argentina is another example, together with the “curricula” of Nike, Shell, Rio Tinto or Novartis, which have been targeted concerning human rights and environmental problems.

Whatever position one adopts, however, the considerable influence of companies on the daily life of an ever-greater number of individuals cannot be denied.

Legally speaking, a company is not considered to be a collective good, but it has social and environmental responsibilities. However, if the States are

capable to make companies fulfil their legal obligations to society, who is going to regulate the social responsibility of enterprises, and how?

An answer to this question may be obtained by considering new types of economic regulations, based on citizens and private regulations. These can be illustrated by international events such as Seattle and Porto Alegre. It can also be appreciated that the reactions of consumers (a call for boycott, the opinion campaign for clean clothes), investors (the emergence of company assessment agencies and organizations who analyze the social and environmental performance of companies, wage saving) are becoming more and more relevant. Certain companies have established their own code of ethics, codes of conduct, or have recourse to audits of social conformity. The question of the company's position in society and how it approaches solidarity assumes another dimension. What is at stake in terms of solidarity, on one hand, among the companies and, on the other hand, among them and the players who shape the environment for the companies themselves, beyond their relationship with society as a whole?

From the debates and the workshop meeting, six main reports have been identified:

1. *Compatibility between companies and solidarity is not obvious.* Companies are complex organizations, full of divergent interests. It is not up to a company to be supportive or to create jobs. The primary function of a company is to assure its own survival, its durability, if not to seek profit. For a company to practise solidarity, there must be a common interest between a company and stakeholders (shareholders, managers, wage earners, consumers, suppliers, public authorities);
2. *A company must obtain legitimacy from civil society in order to be able to make use of resources to produce and sell its products and services, –a more or less contradictory, and especially evolutionary, tacit agreement:* change is linked to thresholds that society defines at each moment and in each country involved (child labour in developing countries, for instance). Above all, what really matters is to break off a vicious circle related to the purpose (the redistribution of the fruits of labour) and to the means.
3. *The importance that financial markets have reached, thanks to globalisation, in terms of multinationals financing, which disrupts the company's governance conditions* by giving a more important role to the shareholders and the institutional investors in group strategies and the sharing out of income.
4. *It is important to distinguish between large transnational groups and small and medium-sized companies* which provide most jobs. Small enterprises can be considered to be the stakeholders of large ones or laboratories of social innovations. Because of this, technical or financial support can be imagined as well as the setting up of networks. The same differentiation is necessary for the informal sector or for social economics and solidarity businesses.
5. *The difficulties in bringing together the various players of the sector to establish real dialogue.* The meeting of the workshop bears witness to this, since hardly any representatives from large companies were present. It's

worth mentioning that companies are interested in ethics but too often only among themselves, and not having to confront civil society.

6. *Economic, social and cultural differences remain strong.* National differences in terms of income, labour legislation, trade-union freedom and tradition, work concepts and solidarity, are sufficient factors to explain the diversity of resistance, adaptation or imitation strategies undertaken by national regulations in the face of globalisation.

2. Visions and a new paradigm

One of the points determining the construction of social responsibility for companies on an international scale rests on the credit given by the representatives of civil society to the establishment of contractual relations with companies (particularly due to codes of conduct). At the same time, we cannot expect to participate in a debate with the representatives of the world of enterprise that goes beyond the limits of strict business communication, without a minimum of mutual comprehension.

Summarizing, two approaches can be distinguished:

- Those in favor of reestablishing the proximity among companies and their milieu, which means basically favorable to dialogue and agreement.
- Those in favor of a global anti-establishment activity, which means citizens and state means of control.

Re-establishing dialogue between companies and stakeholders

Is it possible to bury the cliché of the “aggressive businessman”? Industrialists and managers are rarely owners of their company. They are wage earners, which obliges them to be perpetually juggling a search for short-term profit, in order to satisfy the shareholders who have appointed them, with one for long-term profit in order to ensure the development and survival of their companies. They cannot, therefore, engage the responsibility of the company without an apparent reason, a “rational” purpose.

A certain number of reasons which may be considered “rational” and which can make an industrialist undertake socially responsible activities can be put forward:

- 1) A response to a boycott or marketing strategy from the European public.
- 2) A way of keeping in favour with local governments in order to obtain future permits or authorisations.
- 3) A long-term survival strategy (example: reforestation for a sawmill).
- 4) The only solution for a sector which is strongly dependent on its work force is to develop personnel loyalty. If no clear reason appears, one must be created for the industrialist (the European campaign against child labour in the Indian carpet industry, for instance, which creates a “social demand” for companies in the sector).

It is in those countries where social cohesion has remained strong that economic dynamism is greatest. The example of the multiplication of round tables and meetings in Quebec can be mentioned; these gather together representatives of employers’ associations, workers’ unions, citizen associations, etc. (Employment Forum since 1990), or Local Development Centres, the aim of which is to promote the economic and social development of the milieu.

Social cohesion can be re-established by following two courses of action:

- Favouring companies which encourage the participation of shareholders and clients by forms of democratic company government (one vote = one voice). In Quebec, for example, the main financial institution is a co-operative organisation which includes an objective: “the greater economic and social welfare of individuals and groups...” and a means: “the education of its members and personnel concerning the economy, cooperativism,

solidarity and responsibility". In another context, that of the Cercle Condorcet of Rennes, the *Panoramiques* review proposes an Equal Administration Limited Liability Company model in which the representatives of the wage earners are to hold half of the seats of the Board of Directors or the Administrative Board. A prospective project is under way with the interdepartmental Delegation on social innovation and social economy based on a model of Shared Administration for Limited Liability Companies (which is variable).

- The second course of action is that of raising the awareness of the managers of traditional companies, both by teaching in business schools and by opinion campaigns. The notion of "citizen business" is back on the agenda, including in the United States, mainly due to the appearance of new professions (vice-presidents or ethical directors). In 1987, 21% of ethical policies were adopted by the board of directors; today the figure is 78%.

Contesting the practices of multinationals

Committed consumer organisations insist on the importance of external pressure. Not only is militant action necessary but it is what creates the space within which more moderate negotiations can take place.

There is often a gulf between what multinationals say and what they do. If Shell and Nike are considered, we can wonder if the specific actions of the two groups on matters of respect for human rights are on a level with their communications.

In France, the new "ethicology" functions observed in companies are often still related to the administration of communications. In the Anglo-Saxon countries, the creation of these functions is further reflected in the company organisation. It must be stressed, however, that these devices also aim to intervene in the political proceedings of countries and to defend the position of the companies.

There is a legal void at an international level. What is the competent jurisdiction in relation to the legal responsibility of transnationals, established by a parent company created in accordance with the legislation of a given country, which is set up in other countries by means of subsidiaries which depend on the legislation of the host country?

In this regard, it can be observed that within the last twenty years an unofficial world government has been emerging which is a form of embryonic state (WTO, World Bank and the IMF). Their directors are not democratically chosen and their powers are relatively similar. The lack of legal authority is manifest: ratified international conventions are not applied due to the lack of sanctioning authorities.

However, mechanisms for enforcing these regulations exist: Committees on International Pacts and Conventions, national courts, the Inter-American Court of human rights, the European Court of human rights, arbitration international courts and the International Court of Justice, which created an environmental hall in 1993.

Unfortunately, the Statute of the International Criminal Court, approved in Rome in 1998, has not established the court's jurisdiction either affecting corporate persons or offences against economic, social and cultural rights.

National courts continue to be a vital resource against the illicit activities of transnational companies.

Competent national courts can be either those from where the offence has occurred (India in the case of Bophal), those from the main headquarters of the companies responsible (Texas, in the case of the banana plantation workers), or those from where the victims live, if this does not correspond to the place where the infraction took place. Jurisprudence in this sense does exist.

In 1973, (the Parke Davis case), the Argentine Supreme Court ruled that it was necessary to “lift the veil” of legal fiction and establish economic reality, in such a way that the parent company cannot evade its responsibilities. The same year, in the Swift Delec case, the same court ruled that when the parent company abandons an insolvent subsidiary, the effects of a complaint against the subsidiary must be extended to the parent company, owing to which the latter is considered responsible to the creditors of the subsidiary (especially its wage earners).

The investigation of regulations and their application to traditional companies must be explored, without forgetting the possibility of drawing up obligatory codes of conduct and other specific obligatory rules.

However, some employers’ associations contest the regulation of salary relations by the authorities. This resistance is strong in the case of transnational companies which may create competition between territories and states.

In May 2000, the President of the International Chamber of Commerce, Adnan Kassar, expressed himself in Budapest in these terms, declaring that the “Global Compact” companies were opposed to any prescriptive rules. To put it plainly, they proposed to be self-managing regarding human rights and their responsibility to society. In other words they consider themselves above society as a whole and international laws and regulations and apply voluntary codes of conduct which they themselves have decreed.

It can be clearly seen that the means of regulating must be by the soliciting of public opinion and through the media. Public opinion is to become the principal constraint.

The appeal for dialogue with civil society is perhaps a sign of the transition from a regulation by public opinion towards a regulation by social negotiation, especially concerning codes of conduct.

The ambivalence of this must however be emphasized: if the perspective of deregulation were to prevail, the codes of conduct might serve to short-circuit the role of the trade unions (and the state) in the application of work standards.

These codes are, moreover, the hope of the social movement towards remedying the lack of judicial power, in giving new sense to the judicial activity of the ILO. They introduce more transparency and dialogue with international social movements and therefore additional democracy.

3. Initiatives and innovations

Within this new framework, a strong reconstruction of relations between companies and what are known today as stakeholders is in the process of occurring. From this, new professions, practices and tools have emerged. We can list some examples.

Codes of conduct:

A code of conduct is a group of values (social, environmental...) drawn up by a company which itself undertakes to abide by them voluntarily. In the field of work conditions, these codes may exceptionally be drawn up in collaboration with trade unions or NGOs.

This phenomenon is linked to the internationalism of exchanges. It has exploded in the United States and in France, and is often linked to mergers with Anglo-Saxon shareholders or relates to particular sectors: finance, oil.

This setting up is most frequently a defensive response to opinion campaigns, to media pressure and, in France, to the wage earners protests.

It could also be, however, a promotional tool for companies who have nothing to hide. At a commitment level, it is most often a case of respecting legislation, and just that.

Besides the main difficulty linked to the quality control, several limitations can be identified to set up these codes of conduct:

- Local social imbalance due to excessive demands.
- The institution of a contradictory discourse on the part of the companies, while they increase the pressure on time limits and prices (world competition means that Moroccan companies have to compete with those from Bangladesh, for example).
- Discriminations against companies from the South, which are often SMEs using high rates of hand-labor not covered by the labor law, and with few investment possibilities (Example: American customs can seize products made by children)
- It may displace the problem (official prohibitions that lead to working at home)
- The short-circuiting of trade unions.

It is therefore important not just to forbid child labor but also to make school attendance compulsory. Child insertion programmes should be set up.

Social audits and certification:

Social audits are operations by which a company checks that the values it has defined are being complied with. These operations can be carried out by internal company services or by external bodies within the company itself or about its purveyors.

Audits of social conformity are directly linked to the appearance of codes of conduct and have increased dramatically since the early 90s, especially in the United States. This discipline has not yet come to maturity.

Social auditors intervene in two fields: codes of conduct and certification. The latter is particularly important, especially when a company is set within recognised standard (IOS...).

This tool is rather ambiguous, since it has been fixed according to the Anglo-Saxon model.

Contacts are established with NGOs but, in general, they relate to personal contacts. "Bad" NGOs are placed on a kind of *mental black list* that circulates among the companies, even among auditing firms (some activist NGOs of the toy industry in Hong Kong, for instance).

Nowadays there is not a typical auditor profile. Auditors are generally sensitive to the human element which wishes to change things from within.

Social auditors have a great responsibility. They are in a difficult position, in between who gives the orders, most often Americans, and suppliers, whose economic survival may depend on a report. This requires certain maturity and not much idealism.

Positive aspects:

- It may provide ways to make contacts with NGOs (which is imposed by standard SA 8000 but not respected very often). Still remains the problem of how they can be incorporated?
- Neutrality: this sometimes permits solving internal problems. How can codes of conduct be incorporated into global policy? How to introduce ethics within the whole production process?

Limitations:

- Auditors must acquire a tremendous amount of knowledge (on human rights, labor rights related to the audited countries, H&S, the environment, etc.). There are limitations in terms of time and salaries, as well.
- Audits are also limited and give access to official versions.

Special departments within companies

Little by little companies are introducing services or departments to produce and implement social values, that are set by the company itself. Nowadays, those concerning the environment and sponsorship are highly developed.

The Mécennat service at Carrefour is a case of a new path: the consideration of ethical questions, taking the wage earners into account, and the possibilities of developing ethical and fair trade.

A number of fields are involved: insertion, transgenics and living things in general, multimedia and recuperation.

The actions involved are more or less related to the following activities:

- Multimedia workshops in sensitive areas, Internet access, help to unemployed people.
- Insertion: educational farms. Collaboration with the Gardens of Cocagne.
- Reflecting on the possibilities of commercializing the produce of large gardens through the Biocoop stores (not enough volume for Carrefour).
- Recuperation: partnership with the Restaurants of the Heart for dry products. Fresh produce have no place here, due to legislation.
- Overcoming hiring difficulties and organizing work-teams is a manifested desire.

However, there are many limitations concerning the control of working conditions:

- The current budget does not go over 100 million francs: 6 million for the associations, 86 millions recovered, and 9 millions for office material.
- The orders clearly indicate that prices should not be affected.
- Ethics is felt to be an external responsibility. The task is enormous (tens of thousands of suppliers) and very expensive. About 25 audits per month are currently being carried out, costing on average 20 000F each. It is possible to target suppliers at risk in these audits.

The main positive aspects come from the setting up of a precursory long-term development department: reflecting on bio channels has been under the Mécennat's conduction for about 10 years.

Companies communications

On a world scale, companies are still somewhat reluctant to communicate related to those aspects above. For example, at Carrefour, business tradition is for little communication to take place; this is a sensitive matter (ethics) which raises the problem of having reliable information. Therefore, they chose not to communicate. There are contacts by way of mouth with certain organisations. The example of Danone proves this line of action to be right: once it decided to be a reliable enterprise, the company no longer had the right to make mistakes.

Shareholders and investors

Nowadays investors rather than individual shareholders of big groups are the ones with most influence to establish policies. However, some organisations try to gather groups of minor shareholders (Déminor, Adam, Anaf, etc.). Although they are moved by financial interests, their reaction is not to be discarded as they increase the level of democracy among shareholders, and collective funds become accessible to individual voices.

In France, these interventions have reduced by wage-earning shareholders actions. New alliances have started at a very experimental level. They express themselves at the shareholding level (interventions in general shareholders' meetings and the weight of wage-earning shareholders in take-over bids and public offers of exchange) and at the investors level, as well.

The French campaign "Ethics on the label" has initiated such alliances between trade unions, consumers and NGOs. It gained the recognition of top French trade union (CFDT) authorities at the Lille conference, 1998.

Wage saving

The French example is extremely interesting since it is going through great changes. Still, salary savings is an interesting tool for company values move forward, as it observed in other countries. In this case, certain pension funds take social and environmental criteria into consideration in choosing investment values.

Before 1988, these savings funds in France were guaranteed. Since that date, profit-sharing schemes are obligatory in public companies. The law stipulates

that it must be accompanied by a previous fixed wage agreement and that 3 Board meetings per year, plus a technical meeting, must be held.

An administrator or managing agent is necessary to carry out this kind of administration. When it comes to "ethical" administration, screening is something very thorough. Managing agents come from the finance field and performance is what they look for, in the first place. They are the ones who define notation criteria (for instance, in the French electricity board - EDF - savings plan, 11 criteria were defined, based on social assessment); who send questionnaires and who take part in general meetings, since the surveillance Board members have no access to this instance.

A margin of maneuver for the trade unions exists, but it is not big enough. It consists of dialoguing with the company about differentials between the company's commitments and the real facts. Until recently, the companies would send the financial manager to participate of this dialogue. Trade unions nowadays demand dealing with the director of human resources or the managing director.

In France, there has been a sharp increase on liabilities of wage savings during recent years (2 billions for the French electricity board, EDF). When wage savings moves wage earners interests in relation to the company's administration, may be advantageous for the company's management. It could help to weakening trade unions. How can the latter make use of this as a tool of social dialogue?

1) By withdrawing funds.

Still, this kind of participation is limited to 4% of the company's capital; what is the legitimacy of this kind of action, when these enterprises have a company committee?

Two solutions may be put into practice in order to have some impact:

- a) To make alliances with other funds.
- b) Press communications at the time of withdrawal in order to create small-scale panic on the stock exchange.

Limitations:

- Trade unions are divided on this matter.
- Trade unionists lack financial culture.
- Resistance to widespread change in this milieu.

2) Investing in alternative funds or banks

1993: New Social Dynamic Agreement of the French electricity board (EDF) anticipating the financing of insertion modules. 2% of wage saving funds are set aside at Agir for employment.

Limitations:

- Wage earners legitimately expect a good economic performance from their savings

Questions and perspectives:

The new law on French wage savings could bring to an increase on this kind of action.

Company analysts

The demand in terms of ethical investments is increasing. In France, between the 2nd quarter of 1999 and late 2001, some forty ethical funds were initiated. The question of how sharp are those “company analyses” has been raised (e.g.: TotalFina, lost a large amount of funds following the shipwreck of the Erika, when the potential risk had not been assessed, yet).

It can be observed that the appearance of company notation agencies encourages them to carry out diagnosis, particularly in the field of human resources.

The new breakthrough of the solidarity socioeconomy

The assessment of companies acting within the solidarity finance and fair business sectors is carried out with tools that have been defined by the dominant economy (accounting instruments such as a balance sheet or profit and loss accounting). These are tools that frequently control the decision-makers instance, since they are considered as “the standard” or “the reference”. The ever-present suspicion that economic survival is only possible when having tax advantages or subsidies handicaps the companies from the solidarity socioeconomy sector when relating to their financial partners (banks and authorities). How can the “burden of proof” be inverted so as to submit capital companies to the social and environmental assessment criteria and with what tools?

The company balance sheet of the Centre for young managers and players of socioeconomic (CJDES), Hefboom’s social auditing method, or the analysis of external factors, have been experimented in a number of European countries.

However, the question arises as to the use of these tools. They are useful if they are conceived as instruments among others of social negotiation. They are less useful if they are used at the discretion of the decision-makers. There is also the question of the limits of monetarisation in assessing the human, social and environmental cost of company policies (external factors).

If the tools designed to establish contacts between companies and their stakeholders or between companies themselves (small with large, the large among themselves) begin to multiply, one of the essential questions becomes knowing who will handle these tools. It follows from this that dialogue between the various parties is an important element in the setting up of a regulation system.

4. Proposals

Proposals – New regulations

Using private standards –stemming from some managers' voluntary actions as well as from big American consulting firms' experts– as the only framework for the companies social responsibility become a very limited possibility if the initiatives do not set their action within the bounds of public regulation, negotiated with all stakeholders and controlled by civil society.

Supra national regulation

Partnerships between United Nations' agencies and some enterprises have been developed. But these relations are ambiguous, as they may constitute sources of financing. Multinational companies want to establish partnerships, because of competitiveness and image: sponsorship and philanthropy are developed in relation to stricter legislation and hardening social action. Conversely, since the 90s budget restrictions and restructuring within United Nations' agencies have obliged the latter to appeal to the private sector. As for the Global Compact experience, it must be pointed out that the risks to reputations are not sufficiently taken into account by the United Nations and large NGOs. Conflicts of interest may produce self-censorship. Moreover, there is a real risk of weakening the regulation weight of the state and intergovernmental organisations.

State regulation

State regulation is challenged by globalisation. Its legitimacy and its efficiency are contested by the companies. Its regulations are thought to be insufficient or unsuitable by civil society. Therefore, the state still has a regulating role to play:

1. *Strengthening the business committees consultation while large groups are making strategic decisions.*
2. *Establishing the obligation of consulting trade unions in the case of plans for dismissals in Europe as whole..*
3. *Setting up judicial frameworks favoring wider negotiations between stakeholders.*
4. *Encouraging companies to be socially responsible by introducing social clauses into the allocation of public markets.* The Belgian State has made this decision. This step can be illustrated by the denouncement of the Belgian government's contract with TotalFinaElf. The Belgian ministry of Sport (a French-speaking space) is currently leading a reflection on an ethical and sporting project concerning the purchase of equipment.
5. *Favoring the consumption of biological products and fair trade products within the public administration.* In Belgium, the long-term federal sustainable development plan has set the objective that the public administration should consume 4% of biological products by 2004.
6. *Favoring those companies that encourage shareholders, users, and wage earners to participate in the management of companies.* No doubt that many companies of the social economy (mutual benefit societies, co-

operatives and associations) are included here, but there are still some innovations in capital based companies, such as the public limited company under joint management.

Citizen regulation

Faced with the weakening of state regulations, civil society makes its presence felt by its protests and demands, which are a form of regulating globalisation.

- 7. Increasing the numbers of stakeholders of social dialogue within the companies. Social dialogue does not just boil down to a confrontation between the managers and the trade unions on a national basis, anymore. New players have to scene: shareholders, consumers, local authorities, etc. But examples of companies taking outside players into account are still very few (except perhaps in the Scandinavian countries and in Quebec). Regulation AA 1000 of course exists, but it still too much of theory.*
- 8. Following up the intervention of social movements in relation to multinationals to find conditions to involve all players in the negotiation. What really matters is to identify and give legitimacy to those involved in negotiating with the companies. Legitimacy, is actually that brings up from power relation rather from the will of company managers.*
- 9. Strengthening dialogue and alliances between trade unions and NGOs. The NGOs sometimes appear to compete with the trade unions whereas the two complement each other. It remains true that these two do not know each other well enough to build common strategies and lead coherent actions.*
- 10. Supporting the emergence and strengthening alliances between NGOs and Southern trade unions.*
- 11. Preparing the world of trade unions and civil society to come to know the companies' world better. Getting trade unions and NGOs more involved with defining and controlling social responsibilities of companies demands a sound information and knowledge around business management and financial and industrial logic.*
- 12. Using the tool boycotting only when it is the result of concerted actions between trade unions and consumer movements. Consumer actions must be in relation to NGOs and the state. Boycott efficiency depends on the reception of information. This type of action is rather irrational but the same as financial markets. In short, the right to become indignant is a normal response when there is lack of a minimum of transparency in terms of information. There are limits: the distortion of information and sensational events, the appeal for boycotts without consulting the workers. The risks are different for wage earners whose factories are about to be closed down and for some others.*
- 13. Promoting "buycotts" (as opposed to boycotts). This is a case of encouraging the consumer, by opinion campaigns, to purchase fair trade products from biological co-operatives and socially responsible companies.*
- 14. Fostering the long-term education of consumers by giving them information to help them make their choice. Today, the final consumer is hardly involved. Ethical consumption is something equally difficult. Lack of transparent information, insufficient distribution of equitable products, and the high cost of ethical products are some of the factors that explain why consumers do not change much of their mentality in the act of purchasing.*

5. Strategies and players

Each group of players has its own strategy and carries it out according to its own viewpoints. However, this workshop poses the question of how meetings could be envisaged to group together all kinds of players capable of having influence or of being influenced by the economic factors. It is not necessarily a question of achieving common ground but at least each participant stating its own position in a field where arbitration, and why not admitting it? where the tensions among power relations are permanent.

Gathering the various stakeholder from the business enterprises around the same table is an innovative step, especially when the subject under discussion includes references to the relations between companies and their stakeholders. Rather than companies and solidarity, perhaps it is more appropriate to refer to “companies and reciprocity”. It seems difficult to talk about this type of relationship without gathering together all the stakeholders. In most cases, uniform groups meet partially including other groups in their discussions, and who are not considered legitimate when it comes to practical ground.

One of the main problems to be faced is the diversity of stakeholders to be assembled. It might be useful to increase further the number of categories by distinguishing the “different categories” of companies: small, medium, large, companies from the North, companies from the South. There is no doubt that other players should be included, particularly trade unions from the South.

The Alliance solidarity socioeconomy workgroup and the Charles Léopold Mayer Foundation are sufficiently “neutral” spaces for this kind of meeting to happen. These meetings could offer conditions in which the stakeholders could dialogue and –why not?– take steps towards a model of internal authority for companies.

Questionnaire

We would be very happy to have your opinion on the proposals contained in this notebook. In order to facilitate this task, you will find below some questions to which we hope you will take the time to answer. Your assessments and comments will be very important for the continuation of the collective work. We hope that the reading of this notebook will inspire you and will bring you to read other Proposal Papers of the Workgroup on Solidarity Socio-Economy and of the Alliance (see <http://www.alliance21.org/en/proposals>.)

We also invite you to indicate what are, for you, the proposals most crucial and important to build alternatives to the present model of globalization, and to suggest projects that would represent the practical application of these proposals.

The Proposal papers:

- What is your opinion on the notebook in general?

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- On the diagnosis?

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- On the proposals?

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The proposals

- What are the proposals you agree with?

Numbers:.....
.....
.....

- Any comments?

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-
-
- What are the most useful proposals for your everyday action? In what way (inspiration for the action, for lobbying, for experience sharing...)?
-
-

- What are the proposals you don't agree with? Why?
-
-
-

The future

- What suggestions would you do for the follow-up of this workshop?
-
-
-

This questionnaire is to be sent back to Françoise Wautiez,
psés-sp@alliance21.org

The Alliance for a Responsible, Plural and United World

Working together towards the challenges of the 21st century

Ever since the late eighties of the 20th century, numerous initiatives have been put forward from different regions of the world and extremely diverse contexts. Different social actors were thus put in motion with the aim of organising a vast worldwide process seeking to explore values, proposals and regulations capable of overcoming the modern challenges humanity is faced with.

A large number of thematic, collegial and continental meetings were organised in the early nineties, a process which led, in 1993, to the drafting of the *Platform for a Responsible and United World*.

Regional groups were set up, international professional networks and thematic networks on the fundamental issues of our era were developed: the Alliance was created. It is financially and technically supported by the Charles Léopold Mayer Foundation for the progress of Humankind (FPH), among others.

The Alliance is focussed on inventing new forms of collective action on both a local and global scale, with the aim of shaping together the future of an increasingly complex and interdependent world.

The challenge of the Alliance is to actively support unity in diversity by asserting our societies' capability to understand and appreciate the complexity of situations, the interdependence of problems and the diversity and legitimacy of geo-cultural, social and professional perspectives.

The Alliance, as a space of discussion, reflection and proposals, is built around three main orientations:

Local groups aiming to bring people of a community, a region, a country or a continent together by looking at the realities and issues of their own societies. This is the **geo-cultural approach**. It reflects the diversity of places and cultures.

Groups of socio-professional actors wishing to provoke dialogue and mobilisation within a given social sector or profession (youth, peasants, scientists, local representatives, etc.). This is the **collegial approach**. It reflects the diversity of social and professional milieus, their concerns and responsibilities towards society and the challenges of today's world.

Thematic workshops seeking to create reflection groups centred around the major issues of our common future (sustainable water management, regional integration and globalisation, financial markets, art and society, etc.). This is the **thematic approach**. It reflects the diverse challenges humanity is faced with in the 21st century. Thematic workshops are organised into four areas: Values and Culture, Economy and Society, Governance and Citizenship, Humanity and the Biosphere.

Seeking both to draw on the richness of materials and experiences gathered by these reflection groups whilst networking with other citizen dynamics with a similar focus, the Alliance fixed itself the objective of obtaining collectively developed, concrete proposals. The following meetings were thus organised:

- **international meetings**, for each thematic workshop and each college,
- **synchronized continental assemblies** (Africa, Americas, Asia, Europe) and a regional meeting in the Arab world (Lebanon) in June 2001.
- a **Citizen World Assembly**, held in December 2001 in Lille, France, bringing 400 participants together from around the world.

These meetings together contributed to the drafting of some sixty *Proposal Papers for the 20th century* and a *Charter of Human Responsibilities*, published in several languages in different countries.

The Alliance has been involved in a process of disseminating and developing these outcomes since the beginning of 2002. Networks are expanding, branching out and their work themes are becoming increasingly transversal. They also strengthen links with other approaches aiming to create an alternative globalisation.

For further information, please visit the **alliance website** at www.alliance21.org, where the history of the Alliance, the challenges it is engaged in and the workshops and discussion forums being held can be viewed in three languages (French, English and Spanish).

E-mail: info@alliance21.org

The proposal papers on the internet

Whether in their provisional or definitive form, all the proposal papers and their corresponding translations can be accessed on the website of the Alliance for a Responsible, Plural and United World, at:

<http://www.alliance21.org/fr/proposals>

Themes available:

Values, education, cultures, art and the sciences

Teachers and education – Education to an active and responsible citizenship – The alliance and the media – Art and cultural identity in building a united world – Women – Youth action and proposals for social change – An intercultural cultural diversity in the era of globalisation – Proposals of the inter-religious college – War, genocide, ...restoring humanity in human beings faced by extreme situations – Thinking through university reform – Social control of the scientific production system – Information society, knowledge society: benefiting from change – time and sustainable development

Economy and society

Transformations in the field of work – The trade-union movement at the dawn of the 21st century – Exclusion and Precariousness – Companies and solidarity – How can enterprises exercise their responsibility – Corporate responsibility – Production, technology and investment – Ethical consumption – Fiscal policy, tax, distribution of national income and social welfare – Social finance – Escaping the financial maze: Finance for the common good – Social money as a lever for the new economic paradigm – Debt and adjustment – Fair trade – From the WTO's setback at Seattle ... to the conditions for global governance – Food security and international trade negotiations – Completely sustainable development: an alternative to neo-liberal globalisation – Economic policies, ideologies and geo-cultural dimension – Women and economy – Economy of solidarity – Health and its challenges in the 21st century – The challenges of Artisan fishery in the 21st century – agriculture and sustainable development – People's right to feed themselves and achieve food sovereignty – Food security

Governance and citizenship

Principles of governance in the 21st century – Territories, places for creating relationships: for communities of shared relations – Thinking the city of tomorrow: the words of their inhabitants – Urban violence – Peasant farmers confronting the challenges of the 21st century – Social leaders in the 21st century: challenges and proposals – Local authorities or local co-ordination – State and development – Food, nutrition and public policies – From the conversion of arm industries to the search for security – The military and the construction of peace – Re-modelling global governance to the meet the challenges of the 21st century

Relations between humanity and the biosphere

Environmental education: 6 proposals for citizens' action – Proposals relating to the question of water supply – Save our soils to sustain our societies – Forests of the world – Energy efficiency – Industrial ecology: agenda for the long-term evolution of the industrial system – Civil society and GMO's: what international strategies? – Refusing the privatisation of life and proposing alternatives

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