The Changing Nature of NGO Activity in a Globalising World

Pushing the Corporate Responsibility Agenda

Heike Fabig and Richard Boele

1 Introduction

As a result of the ruling neoliberal paradigm and increasing economic, social and political globalisation, the nature of the relationship between transnational corporations (TNCs) and non-governmental organisations (NGOs) has been significantly transformed. TNCs have gained further freedoms to operate globally and are increasingly perceived as more powerful than governments. In response, NGOs frequently identify TNCs, especially those who are brand-based and vulnerable to customer boycotts, as prime targets to affect change. In reacting to globalisation and targeting TNCs, NGOs have diversified their strategies, initiated new alliances amongst themselves, created new integrated NGOs and engaged with TNCs to affect the changes they desire. With this three-tier response, NGOs have driven the corporate responsibility agenda, which, we will argue, although part of a longer history, is a particular response of NGOs and TNCs initiated by the value-changes brought about by globalisation.

In this article, we intend to give an overview of globalisation's effects on both TNCs and NGOs. In particular we investigate the environmental movement's responses to globalisation, their new alliances, and the new integrated NGOs that have sprung from the environmental movement, and how these are driving the corporate responsibility agenda. Finally, we will illustrate one particular case of a business/NGO alliance, that of The Body Shop and the various NGOs working with the Ogoni people of Nigeria.

2 Globalisation

For Giddens:

Globalisation can ... be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa (1990: 64).

This globalised world is inhabited by TNCs, which hold a growing proportion of wealth, power and influence, and control a growing level of trade to cater for an emerging global mass market. The nature of these growth-oriented organisations means they impact not only on the development of
the economies in which they operate, but also cause environmental problems such as ozone depletion, climate change and resource degradation. Issues such as poor working conditions and child labour that, from a Northern perspective, belong to a past era, re-emerge as the pace of liberalisation, deregulation and outsourcing increases. At the same time, consumer organisations and NGOs seek to foster a growing awareness among individuals who buy the products and services of these TNCs, of the global environmental and social impacts of their consumption (CAFOD 1997).

Faced with this pattern of worldwide economic governance, governments only reluctantly regulate and enforce standards as they fear hindering companies' economic competitiveness. The shifting of authority from national governments to transnational corporations — and thus beyond state and public democratic control — is at the heart of mounting public discontent with the political process (see Korten 1995; Strange 1996) and provides opportunities for non-governmental actors to redress this perceived 'democratic deficit' in both national and global arenas. Disempowered people engage increasingly in 'politics without the politicians', or 'unpolitics' (Rose 1996: 31), especially via NGOs and direct action.

The growing influence of NGOs and interest groups is reflected in their global numbers, which are estimated at 450,000, representing 600–800 million members and supporters. A very large proportion of these NGOs have a 'globalist' and international outlook and challenge the neo-liberal paradigm and agenda (Carmen and Lubelski 1997: 32). With groups such as the World Wildlife Fund, Greenpeace, and Friends of the Earth, the environmental movement has been at the forefront of these transnational NGOs.

Given the expanding power and reach of TNCs and the establishment of pro-globalisation fora such as the North American Free Trade Agreement (NAFTA) and the World Trade Organisation (WTO), which intensify the perception that global economic forces are hostile to the environment and society, pressure groups increasingly identify the corporate world as the real target for effecting change (Heerings and Zeldenrust 1995: 24). As a result many businesses now believe pressure groups have become a political force in their own right and that the corporate world must respond. A 1997 survey found that 'although only 20 per cent of the companies surveyed had formal mechanisms for dialogue with NGOs, and only 12 per cent has official procedures for evaluating them', 'some 57 per cent of the companies surveyed believed that the impact of pressure groups would increase in the next five years' (Bray 1997: 63). A similar survey shows that companies are increasingly confronted by pressure groups on corporate responsibility issues, and most feel that pressure group activity is significantly affecting the conditions under which their company operates, often via government regulation brought about by NGO campaigns.

3 NGO Responses to Globalisation

The increasing global interconnection of social and environmental issues has stimulated equally global and integrated responses by NGOs who have diversified their strategies by: (1) forging new alliances with each other, (2) creating new types of NGOs which take an integrated approach by examining both environmental and social impacts of globalisation, and (3) establishing constructive business/NGO relationships.

3.1 Global NGO alliances

Historically, NGOs needed to 'market' themselves to their constituency as doing something specialised and unique. While not necessarily formally discussed or agreed, they often recognise each others 'turf' and, in a logical allocation of relatively scarce NGO resources, choose to embark on non-competing campaigns. Thus it is truly significant when NGOs temporarily put aside their 'unique selling points' to sit together to coordinate boundary-transcending alliances.

---

The study indicates that in the UK, about 70 per cent of businesses have been targeted specifically by one or more pressure groups, and more than 60 per cent seemed to think that their influence will increase in the future (The Communications Group 1997: 106–119).

2 This process began with the environmental movements' realisation that the human rights of environmental activists were systematically abused (see Burton 1994; Rowell 1996).
The environmental movement was perhaps the first to recognise the significance of globalisation to its work. The UN Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992 marked a turning point in this process and saw the beginning of the creation of new alliances between environmental NGOs, the human rights movement, consumer organisations, student movements, the women’s movement and indigenous peoples’ organisations, including increased cooperation between NGOs in the North and South.

One example which illustrates the formation of these new alliances in response to globalisation is the struggle for environmental and social justice of the Ogoni people in Nigeria. As the Nigerian government and Northern-based transnational oil companies enriched themselves on the abundant natural resources and oil revenues, the Ogoni people faced poverty, pollution and environmental degradation as well as repression by the Nigerian military dictatorship. When the Movement for the Survival of the Ogoni People (MOSOP) took its struggle to the international community in 1993, it not only outlined the interconnections between development, environment and human rights, but also demonstrated the responsibilities of TNCs in these three areas. While this may seem almost ‘obvious’ with hindsight, when Ogoni spokesperson Ken Saro-Wiwa first approached European human rights and environmental NGOs to canvass support in the early 1990s, he found them uninterested as the issue did not fit into the ‘turf’ they had carved out for themselves.3

However, when Saro-Wiwa was executed in 1995 by the Nigerian military dictatorship, there was hardly a Northern environmental or human rights organisation that did not know of, or had not worked on the Ogoni people and their predicament. As a sophisticated Southern NGO, MOSOP’s campaign — which had as one of its main targets the oil transnational Shell — brought together many NGOs and forged a broad alliance of writers’ groups, environmental NGOs, African democrats, consumer activist groups, and social and human rights organisations in many countries, in the North and South.

Inspired by the plight of the Ogoni and others, the Sierra Club — the largest environmental organisation in the United States — established an international human rights programme focused on human rights violations against environmental activists. The awareness that environmentalists outside the US did not always enjoy the human rights taken for granted by its own members first struck the Sierra Club with the murder of Brazilian environmentalist Chico Mendes in 1992, and crystallised after the arrest and subsequent killing of Ken Saro-Wiwa. In early 1999, in an important step that clearly reflects NGOs’ new responses, the Sierra Club extended its human rights work and established a joint programme with Amnesty International to protect the human rights of environmental activists.

Significantly, these new NGO alliances produced not only North–South, but also South–South alliances. Oilwatch, for example, is a network of organisations working against the effects of the oil industry based in Ecuador. Most of its member organisations are grassroots groups from areas where the oil industry is active, the majority based in the South, often in areas inhabited by indigenous people. Equally, the International Alliance of the Indigenous/Tribal Peoples of the Tropical Forests and the World Rainforest Movement bring together NGOs from around the globe, (though mainly based in the South), to share information and strategies. One example of how these alliances facilitate learning was illustrated in 1996 when an Nigerian Ogoni activist to Amazon indigenous communities facing oil exploration to explain the Ogoni’s negative experiences of oil and hold workshops to share the Ogoni’s resistance techniques to oil companies.

3 As he recalled: ‘I telephoned Greenpeace. “We don’t work in Africa” was the chilling reply I got. And when I called up Amnesty, I was asked “Is anyone dead? Is anyone in gaol?” ... I returned home from London, that particular trip, in cavernous despair.’ (Saro-Wiwa 1995: 88-89). Ironically, both Amnesty and Greenpeace would later be amongst the more active NGOs in the Ogoni struggle internationally.
founded by a former Greenpeace oil campaigner, have developed a more integrated approach to the environmental impact of 'development' to include the whole range of political, economic, social and cultural rights. They in turn work in close cooperation with environmental groups such as the Rainforest Action Network to produce reports that are as much environmental as they are social in their analysis of corporate impacts. Some of these integrated NGOs target the corporate world — as a whole, on a specific sector or industry basis, or individual businesses. Examples are Corporate Watch, Multinational Monitor, and the Transnational Resource and Action Center (TRAC).

It is no surprise that many of these NGO alliances and many of the new integrated NGOs focus their work around indigenous peoples, who are often seen as the 'canary in the cage' in terms of globalisation's impacts. The areas of greatest conflict are the 'frontier lands' where indigenous people live and the local and global effects of the transnational extractive industries can be seen in microcosm.

When asked whether or not they like what is happening as a result of the globalization of trade and communications, indigenous peoples often reply that they definitely appreciate having greater access to goods, technology and information but that they are concerned about the negative social, economic and environmental effects of multinational corporations and global activities (Hitchcock 1997: 6).

In 1993, the United Nations Transnational Corporations and Management Division 'noted that indigenous nations were harmed more often by private companies than they were by governments' (Hitchcock 1997: 6).

One advantage of globalisation for NGOs is the increased effectiveness and decreased cost of information technology. This has facilitated the formation of both new NGO alliances and more integrated NGO activity through the quick exchange of knowledge and creation of new campaigning opportunities and tactics. Activists in the

3.3 Business and NGO relations

That business is increasingly seen as a more significant actor than governments in a context of globalisation is articulated by the head of Greenpeace campaigns who explained that during an international summit 'over 100 governments discussed the protection of the ozone layer [while] just 12 companies made the gases that destroyed it' (Rose 1996: 31). Thus it is no surprise that in 1995, Greenpeace spent considerably more time and effort lobbying companies than it did governments (Rose 1996: 31).

NGOs such as Greenpeace, Friends of the Earth, Amnesty International and Human Rights Watch have articulated arguments that challenge the current free-trade discourse, and identify globalised business as a major threat to both the environment and respect for human rights. Friends of the Earth and Greenpeace have campaigned against businesses, especially resource-extraction companies. Amnesty International UK recently established a Business Group chaired by a former Shell director, and issued Human Rights Guidelines for Business (Amnesty International UK 1998). Human Rights Watch meanwhile has taken the reporting lead by issuing the first ever reports on the human rights record of TNCs (see Human Rights Watch 1999a, 1999b). Development NGOs such as Oxfam, CAFOD and Christian Aid have also directly tackled the behaviour of corporations in areas at the intersection of development, environment and human rights.

4 Two campaigns in particular, the campaign against foreign investment in Burma and the action against the Multilateral Agreement on Investment (MAI) have intensively used Internet and e-mail (see Bray 1999, forthcoming).
While targeting the corporate world, NGOs have not only become more sophisticated in their alliances; their approach to business has likewise diversified and can be classified into two main strategies: confronting and engaging.5

Confrontational NGOs are those of a more ideological nature. They position themselves as diametrically opposed to the corporations they campaign against. They have an intuitive distrust of business and to a large extent see themselves as 'outsiders' to the current neo-liberal economic and political system, which they reject. Examples of such NGOs are the member-organisations of the People's Global Action (discussed by Ford in this issue), a transnational alliance of people's movements working under the motto that resistance will be as transnational as capital.

The engaging NGOs believe in changing the system and its effects by working with business. Using the tools of the system such as management processes and public relations, they aim to reward good business practice with cooperation and endorsement. Building on the free-market concept of consumer sovereignty, they enlist the idea of the consumer's 'market vote' to encourage the corporate world to be more socially and environmentally responsible. Possibly the first example of such cooperation was when Greenpeace endorsed and ran an advertising campaign for a propane-butane refrigerator designed by Foron (Porter and van der Linde 1996: 74).

The two models we outline here are ideal types and must be taken as such. Furthermore, the confrontational NGOs often create the space for others to engage with business. For example, long-term campaigns against McDonalds on environmental issues set the scene for the company to enter into partnership with the Environmental Defense Fund (see Murphy and Bendell 1997). In some cases, both strategies may be pursued by the same NGO on the same issue, or even against a particular company on different issues. The Greenpeace PVC free credit card made of biodegradable material is developed by Monsanto, the company targeted by Greenpeace with heavy criticism over genetically engineered foods. Asked about these 'double standards', a Greenpeace spokesperson explained on a UK radio programme that where companies do well, Greenpeace will work with them, and where companies behave badly, they will be criticised.

In some cases, the dialogue between business and civil society has forged partnerships between traditional enemies. This has been most visible on the environmental front where companies have invited non-commercial organisations to help solve a business problem, albeit often after prolonged action from NGOs. If planned and implemented carefully, such partnerships can offer both sides useful tools to discuss and promote global corporate responsibility. As Murphy (1997: 17) argues:

By entering into partnerships with NGOs, some businesses are calling for a broader interpretation of global civil society. In response to their critics, a growing number of TNCs are seeking out NGO partners to help global business enhance its image and contribution to fair trade and sustainable development.

It must be noted, however, that NGO-business relations can have their pitfalls. Simply bringing the two actors together for talks can be problematic, and even where there is trust, partnerships can be complex and carry great risk for an NGO's reputation. For example, the day before the first anniversary of the execution of Ogoni activist Ken Saro-Wiwa, Amnesty International and Pax Christi were reported on the front page of the UK newspaper The Guardian as having successfully negotiated for Shell to incorporate human rights into its General Business Principles (Shell International 1998). While many observers welcomed the outcome of this partnership, some felt the NGOs had been naïve in not controlling the timing of the announcement. At the time of the execution Shell was severely criticised for their behaviour and response, so this announcement, a year later, was seen as a public relations exercise to mute expected criticism of Shell.

5 This dichotomy corresponds with Newells distinction between liberal and critical governance strategies (Newell 1999) and Murphy and Bendell's (1997: 468 & 477) distinction of political approaches to environment: eco-liberalism (which is marked reformist) vs. eco-socialism (which looks at structural features of capitalism) and ideological approaches to the environment: eco-modernism (which adds an environmental dimension to development) vs. post-modern ecologism (which questions economic growth as 'progress').
3.4 The corporate responsibility movement

The concept of corporate responsibility and business ethics is not new. In fact, it is about as old as corporations themselves (Vogel 1991). Throughout history there have been times when questions regarding the ethics of business were high on the agenda, especially after the establishment of (industrial) capitalism. There are famous cases such as abolitionists boycotting sugar sourced from slave labour plantations and the child labour debate of the nineteenth century.

Ethical questions are most asked in times of change, when values and norms are being challenged. In the contemporary context, the globalisation of corporate capitalism and the associated compression of time and space have brought about such a re-evaluation, articulated by NGOs. As a result of globalisation, today's debates are conducted at the intersection of development, environment and human rights, and are more global in outlook than earlier in this century or even in the 1960s. Throughout the 1980s and particularly the 1990s, businesses have been challenged on their social and environmental conduct. Examples are British Petroleum in Columbia, Mitsubishi's timber logging, the re-emerging issue of child labour and the question of investments in pariah regimes such as Burma (Bray 1997; Murphy and Bendell 1997). The current corporate responsibility agenda is largely driven by NGOs, and particularly by the NGO alliances and the 'new' integrated NGOs discussed above. They have set this corporate responsibility agenda through their double strategy of criticising business and constructing creative, solutions-oriented alliances with the business world.

Interestingly, the business world increasingly seems to adopt the corporate responsibility discourse. Not only do we see documents such as Shell's report 'Profits and Principles — does there have to be a choice?', (Knight 1998), there also seems to be a growing trend of social and environmental reporting and auditing by companies as outlined by Beloe (this volume). There is considerable debate about the integrity of these initiatives, articulated in concerns about corporate greenwash (see Beder 1997; Welford 1997), and the green backlash (Rowell 1996). Nevertheless, there has been a flood of material convincing the corporate world to adopt the triple bottom line of financial performance, environmental sustainability and social justice, by performing Social and Environmental Auditing (Elkington 1997), as well as establish stakeholder relations (Wheeler and Sillanpää 1997), arguing that it is in companies' long-term economic interests to enter into relationships with NGOs to confer legitimacy upon their operations.

4 Case Study: The Ogoni and The Body Shop International

More recently, an intriguing new partnership has emerged: the corporate community working with NGOs for social change via lobbying and campaigning. While businesses have always tried to influence governments, on issues ranging from favourable investment climates to minimising regulations, this was most often undertaken in favour of a conservative status quo. However, The Body Shop's engagement with the Ogoni signifies a fascinating new chapter in the history of corporate responsibilities and relations between business and NGOs: corporate campaigning for social change.

The Ogoni people struck an unusual alliance with a UK-based multinational cosmetics company, The Body Shop International, who provided Ogoni organisations in Nigeria and in the UK with practical and financial help and engaged in political lobbying on their behalf. The company began as one of many players in the Ogoni story including the Unrepresented Nations and Peoples Organisation (UNPO) — of which the Ogoni are a member —...
Greenpeace and Amnesty International. Over time, The Body Shop became an increasingly important actor in the Ogoni struggle and at key moments, such as around the time of the executions of Ken Saro-Wiwa and his eight colleagues, functioned as a global pivot. The company consolidated its involvement with the appointment of an International Human Rights Campaigner as a full time, permanent member of staff, unique in the business world. The Body Shop's engagement in the Ogoni campaign undoubtedly meant that a number of actions - such as the high-profile lobbying efforts around the executions - were taken that would not have been possible without the company's practical and financial support. Furthermore, its involvement increased the general profile of the Ogoni and their campaign. This led to the unconditional release, after years of pressure, of 20 Ogoni activists in 1998 by Nigeria's new military ruler, and to a decline of militarisation in Ogoni.

The company also received recognition for its campaign within the business world. In 1995, The Body Shop's Ogoni campaign was commended for the PR Week Public Relations Awards for its Ken Saro-Wiwa Campaign, and in 1996 won the prize for best international campaign and the highly prestigious Gold Award for best overall PR campaign for its work on behalf of the Ogoni 20 - a sign that other corporate actors accept companies campaigning for social change.8

While positive overall for the Ogoni people, the relationship between the NGOs involved in the campaign and The Body Shop was not without difficulties.

- While there were the expected personality difficulties between people with different backgrounds, institutional cultures and working methods, a more structural culture clash existed between the NGOs' consensual decision-making approach, and The Body Shop's sometimes more officious style of working.

- At times there was complacency among some NGOs that The Body Shop would meet all campaign expenses, and numerous requests for funding, not all equally useful to the Ogoni campaign, were made to the company. Some NGOs felt the Ogoni were well looked after by a partner with plenty of resources. The company realised the need to strengthen Ogoni campaign's self-reliance, and in 1996 helped launch a new London-based single-issue NGO, the Ogoni Freedom Campaign.

- There was some general distrust by some NGO partners about the company's intentions. For example, in their first newsletter, one confrontational NGO criticised The Body Shop's green consumerism, its motivation for campaigning, and its refusal to provide even 'minor financial support to grassroots groups' (Delta 1996: 13). The Body Shop had offered to mail the newsletter, but after reading these criticisms withdrew the offer.

- The Body Shop risked alienating consumer loyalty by taking a stance on the Ogoni issue, and not everyone was happy to be approached on a human rights issue by a commercial company. For example, when contacted by The Body Shop in January 1995 to sign a House of Commons Early Day Motion on the arrest of Ken Saro-Wiwa, Edwina Currie MP wrote: 'I'm not sure I want your company to do any more than just sell me body lotion! Please take my name off your mailing list' (quoted in The Body Shop International 1995).

Despite the fact that The Body Shop is itself a multinational company, it was particularly interested in pursuing the idea that companies carry environmental and social responsibilities for the impact they have on the communities in which they operate, especially in regard to human rights (see The Body Shop International 1995; 1997). The Body Shop challenged a fellow corporation on a broad range of social and environmental issues, particularly Shell's partnership with the Nigerian military regime and the company's social and environmental impact on Nigeria's Ogoni people.

The Ogoni campaign was in general a milestone in campaigning history. Not only was the connection

---

8 Ironically, the award was sponsored by the PR company Shandwick, who provides the public relations of, amongst others, Shell International.
between development, environment and human rights clearly demonstrated, the role and responsibilities of corporations in this nexus became clearly defined. Surveys (Bray 1997; The Communications Group 1997) found that after high-profile cases of corporate irresponsibility and crisis mismanagement such as Shell's handling of Brent Spar and the Ogoni episode, the business world is now more sensitive to the message that business values and management practices need to be changed, and public relations is not enough to deal with community complaints. Furthermore, for the first time, a company has gone a step further and joined a relatively high-profile campaign for positive social change.

The extent to which change has taken place in the business world remains to be seen. The NGO community needs to address criticisms about whether there is a role for campaigning in partnership with corporations and if so over which issues and with which NGO partners. For corporations the fundamental question is whether campaigning is a legitimate and appropriate role for companies to perform.

5 Conclusion and Recommendations

Globalisation has changed the world in which business, and particularly TNCs, operate. While they have been given more power and freedom, they have also been more frequently targeted by NGOs, who have adopted increasingly sophisticated strategies in dealing with them. Therefore, we believe that:

The corporate world needs to respond to NGOs by:

- recognising NGOs' potential influence on business, and their potential to effect changes through attacks on brand names via the media and customer education
- adopting the stakeholder or 'triple bottom line' approach.

If NGOs want to increase their chances of effecting changes, they should:

- maintain a critical and challenging attitude towards the corporate world and not underestimate their impact on corporate policy and action. This is especially important in the absence of governmental 'watchdogs'
- recognise the strength of an integrated approach to the issues posed by globalisation
- when appropriate, be willing to enter into constructive dialogue and even relationships with companies
- attempt to understand business culture and language, in order to communicate with business leaders more effectively.

And finally, governments should think carefully about their role in the political process and may want to establish independent international corporate watchdogs or regulators such as those that exist nationally.

Globalisation, while weakening the traditional political mechanisms of corporate control and accountability, has given NGOs the space to become significant and dynamic actors in corporate governance. Citizens, disaffected with the traditional political process and disturbed by the effects of globalisation on their environment and communities, will increasingly turn to NGOs to control corporations, who are identified as being too big, too powerful and irresponsible in their conduct. Companies who fail to recognise the key role NGOs are increasingly playing, will fail to respond effectively to the challenges of the new global order.
References


Murphy, David, and Jem Bendell (1997) In the Company of Partners, Bristol: Polity Press.


Further Information on Some of the NGOs Featured in this Article

Amnesty International UK Business Group: 
business@amnesty.org.uk

Amnesty International: http://www.amnesty.org/

Association for Progressive Communication: 
http://www.apc.org

CAFOD: http://www.cafod.org.uk/

Christian Aid: 

Corporate Watch: http://www.corpwatch.org/

Delta: http://www.oneworld.org/delta/

Friends of the Earth: http://www.foe.co.uk/

Global Witness: 
http://www.oneworld/globalwitness/

Greenpeace: http://www.greenpeace.org/

Human Rights Watch: http://www.hrw.org/

International Alliance of the Indigenous/Tribal Peoples of the Tropical Forests: 
morbeb@gn.apc.org

Movement for the Survival of the Ogoni People: 
http://www.oneworld.org/mosop/ and 
http://www.mosopcanada.org/

Multinational Monitor: 
http://www.essential.org/mdc/

Oilwatch: 
http://antenna.nl/aseed/oilwatch/index.htm

Oxfam: http://www.oxfaminternational.org/

Pax Christi: http://www.paxchristi.org/

People’s Global Action: http://www.agp.org/

Project Underground: 
http://www.moles.org/ProjectUnderground/index.html

Rainforest Action Network: 
http://www.ran.org/ran/

TRAC: 
http://www.corpwatch.org/trac/about.html#:~:text=partners

Unrepresented Nations and Peoples Organisation: 
http://www.unpo.org/

Witness Programme: http://www.witness.org/

World Rainforest Movement: 
http://www.wrm.org.uy/english/aboutwrm.htm

Zapatistas: http://www.zapatistas.org/