

The United Nations Global Compact

The Global Compact is an effort by the United Nations to encourage **voluntary corporate responsibility** while bringing private sector resources into the UN through partnerships. Nine principles, dealing with human rights, labor standards, and the environment, were derived from key UN agreements and form the basis of the Compact.

To participate in the Global Compact, a company's CEO simply writes a letter supporting the Compact and submits an example of how the company practices one or more of the nine principles. The UN also asks the companies to submit a longer 'best practices case study' once a year. These kind of anecdotes have been around for over a decade without having a profound impact on fundamental business practices. In fact, the two requirements of the Global Compact - supporting principles and submitting a case study - are exactly the same planks as participation in the International Chamber of Commerce's Business Charter for Sustainable Development from 1991.

Like the 1991 Business Charter, the Global Compact has **no monitoring mechanism and no enforcement**. Participation in the Compact does not require a commitment to follow the Compact's Principles in all operations, nor to change behavior in any way. Yet companies have begun to tout their 'membership' in the Compact as a sign of their commitment to human rights and environmental protection. This use of the UN association for public relations purposes is known as "**bluewash**" – which the New York Times defined as "allowing some of the largest and richest corporations to wrap themselves in the UN's blue flag without requiring them to do anything new."

Another aspect of the Global Compact is the formation of partnerships between companies and the UN. As an initiative of the Secretary General, the Compact sets the tone for corporate partnerships with many UN agencies. For example, Unicef is currently in partnership with McDonald's, the UNDP has a partnership with ChevronTexaco, and so on.

By making partnership the dominant approach to the relationship between the UN and corporations, the UN has essentially signaled that **it will not attempt to hold corporations accountable in a legal framework, but rather will seek to persuade them to follow UN principles on a voluntary, unmonitored basis.**

The Alliance for a Corporate-Free UN

The Alliance for a Corporate-Free UN is a global network of human rights, environmental and development groups working to address undue corporate influence in the United Nations, and to support UN initiatives to hold corporations accountable on issues of human rights, labor rights and the environment. EarthRights International serves as the Alliance Secretariat.

Platform

The members of the Alliance believe in a United Nations which:

- holds commercial rules subservient to human rights, labor and environmental principles
- avoids excessive and undue corporate influence
- holds corporations accountable in a legal framework
- maintains integrity of international social and environmental agreements
- receives adequate funding from governments

Activities

The Alliance has three main activities:

- Monitoring and exposing corporate partnerships and undue corporate influence in the UN.
- Taking action to pressure the UN to avoid such partnerships and influence.
- Promoting and supporting UN-related measures to hold corporations accountable.

Corporate Accountability means

corporations must disclose their activities to the public and to government, and must abide by societal norms or face consequences.

Corporate Responsibility refers to

voluntary measures taken by business to improve their social and environmental behavior.

Corporate responsibility is the purview of business.

Corporate accountability must be enforced by governments, workers and communities.

The United Nations Global Compact VS. Corporate Accountability

The Alliance for a Corporate-Free UN

Steering Committee

Brazilian Institute for Social and Economic Analysis (Brazil)
Corporate Europe Observatory (the Netherlands)
Council on International and Public Affairs (U.S.)
EarthRights International - Secretariat
Focus on the Global South (Thailand)
Institute for Policy Studies (U.S.)
International Baby Food Action Network (Switzerland/International)
International NGO Committee on Human Rights
in Trade and Investment (India)
Tebtebba Foundation, Inc. (the Philippines)
Third World Institute (Uruguay)
Third World Network (Malaysia)
Women's Environment and Development Organization (U.S.)

Bluewash: “some of the largest and richest corporations can wrap themselves in the UN’s blue flag without doing anything new.”

This sheet was prepared by EarthRights International on behalf of the Alliance for a Corporate Free UN for distribution at the Asian Civil Society Forum 2002 UNCC, Bangkok, Thailand, December 9 to 13, 2002. See www.earthrights.org/un for more information, or contact infousa@earthrights.org