

TLWNSI NEWSLETTER

The Living Wages North and South Initiative (TLWNSI)

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LONG-TERM SUSTAINABLE DEVELOPMENT THROUGH GRADUAL WAGE EQUALIZATION

SUMMER 2005

May 04, 2005

LIVING WAGES, CSR AND SUSTAINABLE DEVELOPMENT

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In this issue:

- [Consumer Power in the Logic of the Market - Real and Direct Democracy in Pursuit of CSR.](#) This paper is prepared from the perspective of civil society and under the context of true democracy, where civil society directly participates in the public matter on a permanent basis, so that the public and private interests are reconciled and governments are made to truly work for all ranks of society and not for the owners of capital.
- [Consumers International Position Regarding ISO 26000.](#) Consumers International (CI) welcomes ISO's decision to develop the ISO CSR standard and gets directly involved in the development of the standard by participating in the Chairman's Advisory Group, in order to ensure that the standard duly incorporates social responsibility from a consumer perspective.
- [ISO Creates ISO 26000 as a Corporate Social Responsibility Standard.](#) After several years of consultation, ISO sets out to develop a standard for social responsibility. Many stakeholders are getting involved. Still, the dominant view is that the new CSR ISO can only be a guideline and complement to a comprehensive sustainable business practice.
- [Consumers Should Be the Primary Stakeholder Driving Sustainability.](#) The idea that consumers should be the driving force in the development of a truly sustainable paradigm is gaining force among some members of consumer organisations, such as in the European Consumer Consultative Group (ECCG), the European Commission's main forum for engaging with consumer organisations.
- [Two Distinct Recent Surveys of Spanish Consumers about their awareness, perceptions and attitudes regarding CSR expose the need for a lot more to be done in terms of information and real actions.](#) One study by PWC - Spain, including a survey with 750 consumers in the top five Spanish urban areas, and one survey of 1004 Spanish consumers by CECU (Spanish acronym for Spanish Confederation of Consumers and Users) reveal a generally poor rating of the actions of both corporations and governments with respect to CSR.
- [2005 KPMG's Triennial CSR Survey Shows Increase of CSR Practice with Quite Conventional Content.](#) KPMG Triennial survey on CSR reporting shows a consistent increase in the number of the world's mega corporations reporting, and even a greater increase in the number of these corporations reporting on their social and economic impact; yet, CSR reporting remains very conventional for it continues to avoid critical elements such as the issue of living wages.
- [Civil Society's Calendar 2005-2006.](#) A selection of events, relevant to TLWNSI, put together by members of organized Global Civil Society;
- [Corporate Calendar 2005-2006.](#) A selection of events, relevant to TLWNSI, put together by business groups, multilateral institutions and governments;
- [Top Resource Downloads.](#) The top internal and external resources downloaded from our website.

- **CONSUMER POWER IN THE LOGIC OF THE MARKET
REAL AND DIRECT DEMOCRACY IN PURSUIT OF CSR**

The essay argues that, given that governments have been co-opted by those who finance their electoral campaigns, there is currently no possibility of making corporate social responsibility (CSR) a comprehensive, mandatory and sustainable business practice. Today, fundamental issues, such as living wages, are systematically excluded from CSR practice. Hence, the pursuit of an ethos that genuinely responds to the demands of society has to follow the logic of the market. To this effect, the power of consumers over corporations to stop harming people or the environment is far more likely to bring meaningful results than parliaments or multilateral organisations, which lack the political will or the power to establish a valuable CSR framework.

The author illustrates his arguments by showing the natural disposition of consumers to support social causes and with real cases where consumer power has forced corporations to improve business practice and cases where their refusal to change their ways has cost them dearly.

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- **CONSUMERS INTERNATIONAL POSITION REGARDING ISO 26000**

Since early 2004, CI welcomed ISO's decision to evaluate the possibility of developing an ISO CSR standard. The vision of Consumer International, a federation of 250 consumer organisations in 115 countries, regarding CSR is that its current state is weak with respect to the implementation of codes of conduct and shares the view of many that voluntary codes have been and will continue to be insufficient. Thus, CI believes that consumer organisations can play an important role in improving consumer information and understanding of the social dimension of consumption and therefore put pressure on producers through their buying choices. CI also believes government and inter-government action is very necessary.

In this way, almost a year later, ISO held its launch meeting of the Working Group on Social Responsibility. CI expressed satisfaction with ISO's new approach to aim for "balanced stakeholder engagement", with representatives from six designated stakeholder groups: governments, industry, labour, consumers, NGOs and other groups. CI was the only group representing consumer interests, and it is pleased that two of its members were elected as consumer stakeholder representatives to the Chairman's Advisory Group. CI is now looking to take consumer involvement forward to the next meeting planned for Bangkok in October.

Download Consumers International position on Corporate Social Responsibility activities in ISO, May 21, 2004. [Click here for PDF](#)

Download Press release: CI welcomes new social responsibility standard, July 6, 2004. [Click here for PDF](#)

Download Press release: ISO takes social responsibility seriously. Consumer International, 26 May

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■ ISO CREATES ISO 26000 AS A CORPORATE SOCIAL RESPONSIBILITY STANDARD

Since early 2001, the "Consumer Protection in the Global Market" Working Group of COPOLCO, the Consumer Policy Committee of ISO (the International Organization for Standardization), was asked to consider the viability of an ISO standard on CSR. It is particularly indicative of ISO's initial views about corporate responsibility that it chose its Consumer Committee to undertake this mission. This is another sign of the growing confluence of perceptions that think consumers must play a leading role in the determination of what business practices should be deemed socially and environmentally responsible and, thus, sustainable.

The result after three years was the launching, in 2005, of the development work for the ISO 26000 standard on social responsibility, scheduled for publication in 2008. Guided by the ISO Working Group on Social Responsibility, a diversity of stakeholders, organised in six stakeholder task forces, are getting involved in this effort. This is the result of a special effort to engage many outside stakeholders, a practice which departs from the traditional ISO method of developing a standard with only delegations from ISO member bodies that each presents a national consensus.

Download the Executive Summary of Report to ISO COPOLCO on Desirability and Feasibility of ISO CSR Standards. [Click here for PDF](#)

Download Press Release: 'Dynamic' launching of work on ISO 26000 - future guideline on social responsibility. ISO, March 24, 2005. [Click here for PDF](#)

Download the GRI Partnership for ISO 26000. [Click here for PDF](#)

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■ CONSUMERS SHOULD BE THE PRIMARY STAKEHOLDER DRIVING SUSTAINABILITY

In a speech given during this year's European Consumer Day, Jens Henriksson, International Officer of the Swedish Consumer Association and a member of the ECCG, advanced the idea that a new paradigm must be established in order to succeed in achieving sustainability. Henriksson proposed that

the demand side, consumer power, could be strengthened to make consumers the ones who ultimately decide the content of sustainable development. Consumers should decide the "content and levels that are essential for one's perception of sustainability."

Henriksson asserts that a sustainable demand directly creates the sustainability of production, and advances the idea, just as TJSGA does, that it is better to influence socially responsible business practice, of which sustainability is an important element, through active consumer choice instead of through parliaments.

In consequence, Henriksson proposes to make a shift to the demand-side paradigm by empowering consumers to be in line with their ideals when consuming. Therefore, the resources currently allocated to support the supply should be re-allocated to demand-oriented areas such as: information, labelling systems, popular education and support to popular movements representing the co-operative voices of different areas of sustainability.

This change of resources will contribute to the shift of paradigm with the aim to empower consumers to express their priorities as to both Sustainability and Social Responsibility.

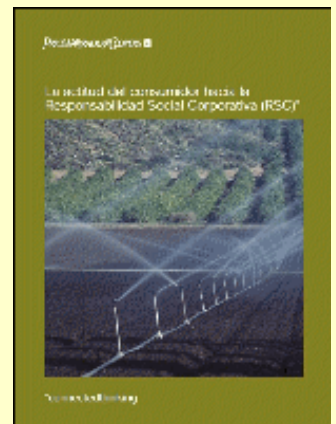
Download the full speech on a pdf file by [Clicking here](#).

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- **TWO DISTINCT RECENT SURVEYS OF SPANISH CONSUMERS ABOUT THEIR AWARENESS, PERCEPTIONS AND ATTITUDES REGARDING CSR EXPOSE THE NEED FOR A LOT MORE TO BE DONE IN TERMS OF INFORMATION AND REAL ACTIONS**

The PWC study: "Consumer Attitudes Toward Corporate Social Responsibility" (CSR) focuses on the food and beverage sector but is rendered valuable for most mass-consumption product and services categories. The study sought to assess the perceptions, concerns and evaluation of different aspects of CSR among Spanish consumers and the impact of these aspects on their consumer behaviour. The study is composed of 750 telephone interviews in Madrid, Barcelona, Sevilla, Valencia and Bilbao. It also incorporates qualitative data gathered through two focus groups, an analysis of mass-consumption companies, particularly in the food and beverage sector, and an analysis of the information regarding CSR practices available on the web pages of the top fifteen companies in this sector.



The CECU study is, judging from its methodology, limited to consumers that, at the very least, are already aware of their rights and role as consumers regarding the social and environmental impact of

businesses. Of the total sample of 1004 consumers, 18 years and older, 85% were interviewed in the offices of CECU member organisations or at local government offices where CECU affiliates service consumers. Thus, we can only regard this sample as representative of consumers who are members or that at least use the services of CECU, the largest consumer organisation in Spain. The sample did not target unaffiliated consumers who undoubtedly represent the vast majority of consumers (CECU claims 400.000 individual and collective members). Nonetheless, this study:

"Consumers' Opinion and Evaluation of the Social Responsibility of Companies in Spain", drew several valuable findings among Spanish organized consumers that show a tendency of consumers to get actively involved once they have acquired some degree of awareness about their role as consumers.



To download the PWC study [on a pdf file click here](#). (Available only in Spanish)

To download the CECU study [on a pdf file click here](#). (Available only in Spanish)

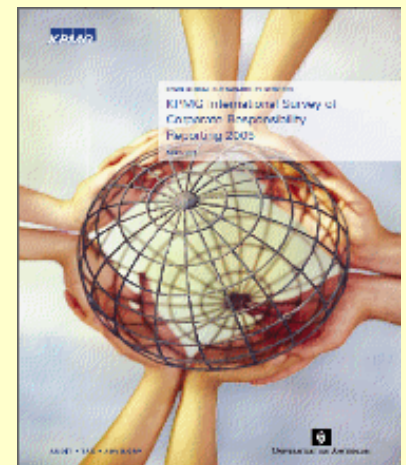
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■ 2005 KPMG's TRIENNIAL CSR SURVEY SHOWS INCREASE OF CSR PRACTICE WITH QUITE CONVENTIONAL CONTENT

KPMG recently released its fifth International Survey of Corporate Responsibility Reporting since 1993. In 2005, 52% of the global top 250 companies (G250) and 33% of the top national 100 companies (N100) in 16 countries issued separate CR reports (not as part of the annual financial reports) compared with 45% and 23%, respectively, in 2002.

Another positive sign among mega corporations is their clear shift from purely environmental reporting, up to 1999, towards a tri-dimensional reporting under the concept of sustainability (social, economic and environmental). In 2005 68% of the G250 and 48% of the N100 produced sustainability CR reports.

Among the expected shortcomings in CSR reporting, KPMG reported that coverage of social and economic issues and topics is far more superficial than coverage of the environmental dimension. Relative to the social dimension, almost two-thirds of companies in the survey discussed social issues, generally focusing on core labour standards, working conditions, community involvement and "philanthropy", which continued to be confused by many as part of CSR.



To be sure, no consideration to the central issue of living wages in their operations in the South is discussed. Not surprisingly, KPMG concludes that, despite growing commitment to social issues, "reporting performance remains sketchy, possibly due to the lack of clear social indicators."

For a copy of the complete document click here for [KPMG's link to its 2005 Survey](#).

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■ CIVIL SOCIETY'S 2005 - 2006 CALENDAR

- **Coalition for Justice in the Maquiladoras General Assembly**, Gómez Palacio, México, 18 - 21 August, 2005. [Read more](#)
- **First Iberian American Congress of Biodiversity and Environmental Law**, Quito, Ecuador 5 - 7 September, 2005. [Read more](#)
- **7th Annual SAI Conference. Beyond Compliance**, New York, U.S, 19 September, 2005. [Read more](#)
- **Interfaith Centre on Corporate Responsibility, The ICCR Community and the Public**, New York, U.S, 22 September, 2005. [Read more](#)
- **Jobs with Justice Annual Meeting**, St. Louise, U.S, 23 - 25 September, 2005. [Read more](#)
- **Answer Coaliton: Stop the War in Iraq March**, Washington, Los Angeles, San Francisco, U.S, 24 September, 2005. [Read more DC](#), [Read more LA](#), [Read more SF](#).
- **Green Festival**, Washington, U.S, 24-25 September, 2005. [Read more](#)
- **2005 Fair Trade Conference**, Chicago, U.S, 30 September - 2 October, 2005. [Read more](#)
- **Accountability Annual Conference: Reinventing Accountability for the 21st Century**, London, UK, 3 - 5 October, 2005. [Read more](#)
- **Climate or Development?** Hamburg, Germany, 28 - 29 October, 2005. [Read more](#)
- **Green Festival**, San Francisco, US, 5 - 6 November, 2005. [Read more](#)
- **Our Media Conference**, Bangalore, India, 5 - 9 December, 2005. [Read more.](#)
- **2006 World Social Forum - Americas**, Caracas, Venezuela, 24 - 29 January, 2006. [Read more](#)
- **2006 World Social Forum - Asia, Karachi**, Pakistan, 24 - 29 January, 2006. [Read more](#)
- **2006 World Social Forum - Africa, Bamako**, Mali, 24 - 29 January, 2006. [Read more](#)
- **Globe 2006 - Business and the Environment Conference**, Vancouver, Canada, 29 - 31 March, 2006. [Read more.](#)
- **European Social Forum**, Athens, Greece, April, 2006. [Read more](#)
- **13th Conference of the International Association for the Economics of Participation (IAFEP): Expanding Democratic Firms, Broadening Economic Democracy**, Mondragón, Spain, 13 - 15 July, 2006. [Read more.](#)

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■ CORPORATE 2005 - 2006 CALENDAR

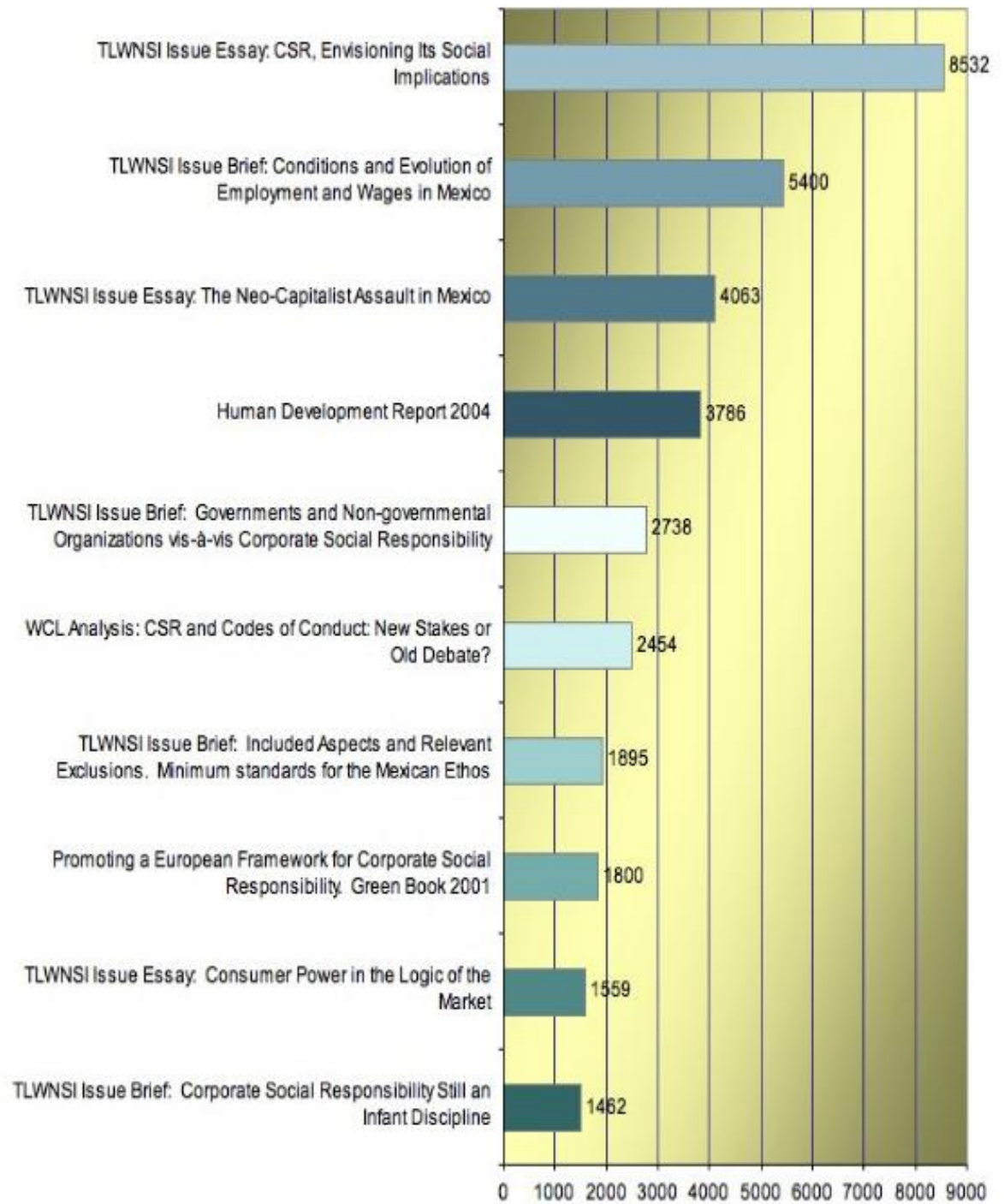
- **Responsible Management - How to Design a Social Balance**, Buenos Aires, Argentina, 23 August,

2005. [Read more](#)

- **6th International Sustainability Leadership Symposium**, Zurich, Switzerland, 8 - 9 September, 2005. [Read more.](#)
- **2005 Millenium 5+ World Summit**, New York, U.S., 14 - 16 September, 2005. [Read more](#)
- **Sustainability Master Classes**, Aylesbury, UK, 15 - 16 September, 2005. [Read more](#)
- **2005 Annual Meetings of the World Bank Group and IMF**, Washington, U.S, 24 - 25 September, 2005. [Read me](#)
- **III Inter-American Conference on Corporate Social Responsibility**, Santiago, Chile, 25 - 27 September, 2005. [Read more](#)
- **SRI (Socially Responsible Investment) Annual Conference**, Snowbird, U.S, 25 - 28 September 2005. [Read more](#)
- **Corporate Responsibility in Food and Agribusiness**, London, UK, 29 - 30 September, 2005. [Read more](#)
- **Social Venture Network Europe Conference**, Lucca, Itally, 29 September - 1 October, 2005. [Read more](#)
- **ILO: Fair Globalization - Safe Workplace - Policies, Strategies and Practices for Sustainable Development**, Dusseldorf, Germany, 24 - 26 October 2005. [Read more](#)
- **Business for Social Responsibility Annual Conference**, Washington, U.S., 1 - 4 November, 2005. [Read more.](#)
- **Seventh Triple Bottom Line Investing Conference**, Frankfurt, Germany, 2 - 4 November, 2005. [Read more.](#)
- **Fourth Summit of the Americas**, Mar del Plata, Argentina, 4 - 5 November, 2005. [Read more](#)
- **CSR Asia Conference: The Supply Chain Talks Back**, Shekou, China, 21 - 22 November, 2005. [Read more](#)
- **Global Compact China Summit: Building Alliances for a Sustainable Global Economy**, Shangai, China, 30 November - 1 December, 2005. [Read more](#)
- **Sixth WTO Ministerial Conference**, Hong Kong, China, 13 - 18 December, 2005. [Read more](#)
- **Conference Board Conference: Meeting Expectations in the Business & Society Relationship**, Brussels, Belgium, 11 - 12 January 2006. [Read more](#)
- **Sustainable Development and the WTO**, London, UK, 6 - 7 February, 2006. [Read more.](#)
- **2006 Annual Meetings of the World Bank Group and IMF**, Singapore, 24 - 25 September, 2006. [Read me](#)

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■ TOP RESOURCE DOWNLOADS

Following are the top ten internal and external information resources downloaded from our website in the previous semester. Below the chart are the links for each resource if you want to download them:

To download click below:

1. [TLWNSI Issue Brief: Corporate Social Responsibility, Envisioning Its Social Implications](#)
2. [TLWNSI Issue Brief: Conditions and Evolution of Employment and Wages in Mexico](#)
3. [TLWNSI Issue Essay: The Neo-Capitalist Assault in Mexic](#)
4. [Human Development Report 2004](#)
5. [Governments and Non-governmental Organizations vis-à-vis Corporate Social Responsibility](#)
6. [WCL Analysis: CSR and COndes of Conduct: New Stakes or Old Debate?](#)
7. [CSR: Included aspects and relevant exclusions. Minimum standards for the Mexican Ethos](#)
8. [Promoting a European Framework for CSR. Green Book \(2001\)](#)
9. [Consumer Power inb the Logic of the Market](#)
10. [CSR Still an Infant Discipline](#)

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